

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1989

JUNE 24 (legislative day, JUNE 23), 1988.—Ordered to be printed

Mr. STENNIS, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany H.R. 4781]

The Committee on Appropriations, to which was referred the bill (H.R. 4781) making appropriations for the Department of Defense for the fiscal year ending September 30, 1989, and for other purposes, reports the same to the Senate with various amendments. Information is herewith presented relative to changes made:

Total of bill as reported to Senate:

New obligational authority.....	\$282,649,913,000
Total of 1989 budget estimate	283,159,445,000
Amount of House allowance (net) (reported).....	282,602,828,000
Amount of fiscal year 1988 enacted (net).....	278,982,848,000

The bill as reported to the Senate:

Below fiscal year 1989 budget estimate	509,532,000
Above the House allowance.....	47,085,000
Over enacted appropriations for fiscal year 1988....	3,667,065,000

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BACKGROUND

PURPOSE OF THE BILL

The purpose of this bill is to make appropriations for the military functions of the Department of Defense for the period October 1, 1988, through September 30, 1989. Functional areas include the pay, allowances and support of military personnel, operation and maintenance of the forces, procurement of equipment and systems, and research, development, test and evaluation. Appropriations for military assistance, military construction, family housing, nuclear warheads, and civil defense are provided in other bills.

HEARINGS

The Subcommittee on Department of Defense Appropriations began hearings on the fiscal year 1989 budget request on March 3, 1988, and concluded them on May 26, 1988, after 12 separate sessions. The subcommittee heard testimony from representatives of the Department of Defense, other Federal agencies, and from the general public. Approximately 861 pages of transcript were taken, the unclassified portions of which constitute the three-volume public record of testimony on this budget request.

SUMMARY OF BILL

The Committee considered a total fiscal year 1989 budget request of \$283,159,445,000 in new obligational authority for the military functions of the Department of Defense, excluding military assistance, military construction, family housing and civil defense. The following table displays the major recommendations:

[In thousands of dollars]

	Fiscal year 1988 enacted	Fiscal year 1989 request	House allowance	Committee recom- mendation
Title I—Military personnel.....	76,145,179	78,399,300	78,399,522	78,461,598
Title II—Operation and maintenance.....	80,337,490	85,633,900	85,718,225	85,176,691
Title III—Procurement.....	84,195,392	79,874,500	80,672,640	78,881,294
Title IV—Research, development, test, and evaluation.....	37,067,316	38,157,100	36,129,396	37,605,525
Special foreign currency program				
Title V—Revolving funds.....	881,214	763,500	1,139,500	668,500
Title VI—Chemical agents and munitions destruction, Defense..	198,500	162,900	375,400	179,500

[in thousands of dollars]

	Fiscal year 1988 enacted	Fiscal year 1989 request	House allowance	Committee recom- mendation
Title VII—Related agencies	157,757	168,245	168,145	1,235,805
Title VIII—General provisions.....				441,000
(By transfer).....				(1,208,400)
(Additional transfer authority, sec. 8014)	(1,500,000)	(3,000,000)	(2,500,000)	(3,000,000)
Total, Department of De- fense (New obligational authority).....	278,982,848	283,159,445	282,602,828	282,649,913
(Transfer authority).....	(1,500,000)	(3,000,000)	(2,500,000)	(3,000,000)
Rescissions	-3,531,030			
Other adjustments.....	82,300			
Net funding avail- able.....	275,534,118	283,159,445	282,602,828	282,649,913
Distribution by organizational component:				
Army	73,275,513	75,158,300	74,986,554	74,631,384
Navy.....	99,603,238	94,162,900	94,904,002	94,122,058
Air Force	87,526,249	95,041,300	92,824,686	93,251,018
Defense agencies/OSD	17,021,591	18,465,800	17,793,541	17,945,648
Reserve and National Guard procurement.....	1,200,000		1,174,500	843,500
Chemical agents and mun- itions destruction, Defense...	198,500	162,900	375,400	179,500
Related agencies.....	157,757	168,245	168,145	1,235,805
Rescissions.....	(3,531,030)			
Foreign currency.....			376,000	
General provisions.....				441,000
Total, Department of De- fense (New obligational authority).....	278,982,848	283,159,445	282,602,828	282,649,913
(Transfer authority).....	(1,500,000)	(3,000,000)	(2,500,000)	(3,000,000)
Rescissions	-3,351,030			
Other adjustments.....	82,300			
Net funding avail- able.....	275,534,118	283,159,445	282,602,828	282,649,913

TRENDS IN BUDGETS, MANPOWER, AND FORCES

BUDGET SUMMIT AGREEMENT AND 302(b) ALLOCATION

The Appropriations Committee conformed fully to the Budget Summit Agreement for defense spending in its 302b allocation. This allocation divided the budget authority and outlays among the subcommittees with jurisdiction over defense spending. The Defense Subcommittee has the far greatest share of defense spending. In this recommended bill, the Appropriations Committee has met its 302(b) allocation for defense and conforms to the Budget Summit Agreement for defense spending.

BUDGET TRENDS

Between 1980 and 1985, national defense budget authority increased every year in real terms. Since 1985, however, budget authority has declined in real terms. See following table:

NATIONAL DEFENSE BUDGET AUTHORITY (050)

[Dollars in billions]

Fiscal year	Current	Constant 1989	Percent real change from prior year
1980 actual.....	\$143.9	\$215.3	
1981 actual.....	180.0	243.3	+ 13.0
1982 actual.....	216.5	272.3	+ 11.9
1983 actual.....	245.0	297.5	+ 9.3
1984 actual.....	265.2	312.2	+ 4.9
1985 actual.....	294.7	334.4	+ 7.1
1986 actual.....	289.1	320.7	- 4.1
1987 actual.....	287.4	310.1	- 3.3
1988 revised.....	291.4	301.3	- 2.8
1989 request.....	299.5	299.5	- .6

The 1989 President's request was submitted in accordance with the November 20, 1987, Budget Summit Agreement which provided for \$299,500,000,000 in budget authority and \$294,000,000,000 in outlays for the national defense function. Under the terms of the agreement, Congress is expected to produce a budget that conforms to these funding levels. As shown in the table above, the agreement upon funding level for national defense provides for a modest real decline in purchasing power for 1989 as compared with the level appropriated for 1988.

As shown on the chart above, real national defense funding peaked in 1985 and has declined steadily since then. The targets that were set in the Budget Summit Agreement continue the decline although at a very moderate rate in 1989. The reductions that the Congress has made since the 1985 peak have not been evenly distributed among the major titles of the bill as shown on the following chart.

DISTRIBUTION OF REDUCTIONS

BUDGET AUTHORITY

[In billions of 1989 dollars]

	Military personnel	Operation and maintenance	Research and development	Procure- ment
1980 actual.....	70.8	64.6	19.7	52.1
1985 actual.....	75.3	88.7	35.8	110.7
1987 actual.....	78.8	87.8	38.4	85.8
1988 revised.....	78.5	83.6	38.0	83.7
1989 request.....	78.4	85.6	38.2	79.9
1989 recommended.....	78.5	85.2	37.6	78.9

Military personnel funding shows modest but steady growth between 1980 and 1987. Since 1987, funding has declined slightly in real terms. The Committee's recommendation essentially freezes the 1989 budget for military personnel at the 1988 level.

Operations and maintenance funding reflects steady growth between 1980 and 1985, but then declines steadily in real terms from the 1985 level. The Committee's recommendation would reverse the recent trends and increase funding over the 1988 level by almost 2 percent in real terms.

Research and development shows the greatest real growth of any major title between 1980 and the 1989 request—94 percent. The Committee's recommendation reduces the 1989 request by about \$600,000,000. This recommendation reflects developing programs that can be slowed without severe impact; elimination of duplicative programs; and deferral of new or expanded programs that may be restructured next year by a new administration because of fiscal constraints or policy changes.

Procurement funding more than doubled between 1980 and 1985, but has steadily declined since 1985. Between 1985 and the 1989 request, the reductions in procurement have provided for most of the overall declines in national defense budget authority. In 1989, the Committee recommends a modest decline in budget authority, continuing the most significant trend of recent years—reduction in investments in new equipment.

MANPOWER TRENDS

Overall manpower trends are shown in the following table:

MANPOWER TRENDS

[End strength in thousands]

	Military		
	Active duty	Selected Reserve	Direct hire civilians
1980 actual.....	2,040	869	916
1985 actual.....	2,151	1,088	1,043
1987 actual.....	2,174	1,157	1,049
1988 estimate.....	2,138	1,172	1,027
1989 request.....	2,138	1,173	1,016
1989 recommended.....	2,137	1,173	1,016

Active duty military end strength increased each year between 1980 and 1987. In 1988, military end strength declined slightly and the Committee recommends a small reduction in 1989 in accordance with authorization action. Selected Reserve strength increased steadily between 1980 and 1988. For 1989, the Committee recommends funding to support the request of 1,173,000. Civilian direct hire end strength peaked in 1987 and has declined modestly since then. For 1989, the Committee recommends a slight decline from the 1988 level.

FORCE STRUCTURE TRENDS

Force structure shows a mixed pattern. Some elements continue to increase in 1989 as the buildup to the 600-ship Navy continues, inter-theater airlift as C-5B aircraft deliveries continue, and fleet ballistic mis-

sile launchers as Trident submarine deliveries continue. Intratheater airlift reflects a continuing modest decline. The program change which is not reflected in the table, however, is modernization; for example, Peacekeeper missiles are replacing Minuteman missiles; M-1 tanks are replacing M-60 tanks; and F-16 aircraft are replacing F-4 aircraft. Because of the timelag between equipment orders and deliveries, the force structure increases in 1989 are the result of procurement that was funded in the 1987 budget or earlier. The lower level of procurement funding since 1987 will mean slower force structure increases in the future.

FORCE STRUCTURE TRENDS

	Fiscal year—				
	1980	1985	1987	1988	1989
LAND FORCES					
(Army and Marine Corps)					
Active divisions	19	20	21	21	21
Reserve divisions	9	10	11	11	11
Total	28	30	32	32	32
TACTICAL AIR FORCE SQUADRONS					
(Air Force, Navy, and Marine Corps)					
Active	159	166	173	171	174
Reserve	53	60	62	61	61
Total	212	226	235	232	235
NAVAL FORCES					
Strategic forces ships	48	43	43	42	42
Battle forces ships	384	435	445	439	451
Support forces ships	41	50	58	61	65
Reserve forces ships	6	14	22	28	30
Total battle forces	479	542	568	570	588
STRATEGIC FORCES					
Land-based ICBM's (Titan, Minuteman, Peacekeeper)	1,052	1,011	1,000	1,000	1,000
Strategic bombers (B-52, B-1B, FB-111A)....	372	306	344	372	372
Fleet ballistic launchers (Polaris, Poseiden, Trident)	416	488	528	560	592
Interceptor squadrons (Active and Guard)....	17	16	14	14	14
AIRLIFT AND SEALIFT					
Intertheater airlift (C-5, C-141, KC-10A)	304	339	371	389	401
Intratheater airlift (C-130, C-123, C-7A)	594	520	559	521	513
Sealift ships, Active	44	66	61	61	61

HIGHLIGHTS OF COMMITTEE ACTION

Highlights of Committee action are as follows:

Military personnel.—The Committee recommends:

- Authorized active duty end strength of 2,137,200, and Guard and Reserve end strength of 1,172,900.
- A reduction of \$32,672,000 resulting from 1,000 fewer Army and Air Force officer end strength.
- An increase of \$75,000,000 for Army enlisted pay and allowances to more adequately fund authorized enlisted end strength.
- \$5,950,000 for restoring Air Force Reserve and Guard force structure.
- \$2,900,000 for creating an equipment maintenance facility in Germany to be manned on a full-time basis by Guard and Reserve personnel on overseas deployments.
- Establishment of an end strength ceiling on active duty personnel in Japan and South Korea at end of fiscal year 1987 end strength levels (94,457).

Operation and maintenance.—The Committee recommends:

- Readiness increases totaling \$338,299,000 for Army ground training operating tempo, Army National Guard flying hours, Navy flying hours and Navy Persian Gulf operations.
- Preventing civilian personnel furloughs by withholding 25 percent of service civilian pay until the fourth quarter of fiscal year 1989, and requiring that the funds be used only for civilian personnel compensation—thus ensuring that funds are available for pay.
- Increases of \$250,000,000 for ship modernization and repair, and \$63,800,000 to reduce the depot maintenance backlog of Air Force exchangeable components.
- Continuing an overseas workyear ceiling for civilian personnel and a reduction of \$58,197,000 resulting from limiting pay raises for foreign national employees to the same rate given U.S. citizens.
- An increase of \$11,000,000 for operations, depot maintenance and civilian technician pay needed to maintain Air Force Reserve and National Guard force structure.
- An increase of \$213,500,000 to more adequately fund Army and Navy medical programs.
- A reduction of \$11,500,000 for Unified and Specified Command management support contracts, and bill language requiring the Secretary of Defense to respond to the Deputy Inspector General's review of command staffing and structure.
- A reduction of \$130,000,000 for service Asset Capitalization Programs, and other authorization reductions totaling \$124,100,000 for such programmatic areas as Army base operations, Air Force leather jackets, and Navy inventory management.
- A reduction of \$134,346,000 for annualization of 1988 Goldwater-Nichols Act personnel reductions.

Research and development.—The Committee recommends:

- Fully funding the authorized classified amounts for the Advanced Technology Bomber [ATB] and the Advanced Cruise Missile [ACM].

- Providing \$686.9 million for the Peacekeeper/Rail Garrison Intercontinental Ballistic Missile [ICBM] and only \$50 million for the small ICBM program.
- Providing \$682.5 million for the development of the Advanced Technology Fighter [ATF] and \$936.3 million for the C-17 Advanced Transport aircraft and \$189 million for the National Aerospace Plane [NASP].
- Providing \$3.7 billion, the authorized level, for SDI.
- Provide \$600 million to finance national security-related space activities.
- Providing increases in Army antiarmor efforts, including initiation of major upgrade to M1A1 tank, expanded R&D for hypervelocity missile antitank weapon and improvement of existing TOW/Hellfire missiles.

Procurement.—The Committee recommends:

- Adding \$844 million for National Guard and Reserve equipment, including M-1 tanks, M-113 APC's and C-130 aircraft.
- Funding five DDG-51 destroyers, including one funded by a transfer of prior year funds.
- Provide \$2.35 billion to fund 84 F/A-18 aircraft instead of budget request of 72 aircraft.
- Provide \$285 million for four fleet oiler ships instead of two requested.
- \$105 million added to allow Marine Corps to procure 66 M-1 tanks.
- Provide \$732 million to procure 12 MX missiles.
- Provide sufficient funds to generally maintain efficient production rates for procurement items.
- Approval of six multiyear procurement requests and granted two programs multiyear procurement authority which were not requested by DOD.

BURDENSARING INITIATIVE

The Committee recommends a new initiative to achieve a more balanced sharing of both Defense and foreign aid burdens among the United States, North Atlantic Treaty Organization [NATO] member nations, Japan, and the Republic of South Korea. The Committee is pleased that the Department of Defense has created a task force on burdensharing, as required by the 1988 Military Construction Appropriation Act. Given the disparity in Defense spending of the United States vis-a-vis its allies, the large number of U.S. forces stationed permanently ashore overseas in allied nations, and the budgetary pressures necessary for meaningful deficit reduction—more significant action is necessary.

The Committee believes that U.S. taxpayers are currently shouldering a disproportionately high percentage of the cost of maintaining security in both NATO, and the Far East. By any measure, the United States is outspending its allies. According to the Secretary of Defense's Report

on Allied Contributions to the Common Defense, April 1988, the United States ranks first among the allies in per capita defense spending and defense spending as a percentage of Gross Domestic Product. The United States spends \$1,164 on defense for every U.S. citizen, while the Federal Republic of Germany spends \$454 for every citizen, and Japan spends only \$163 per citizen. The United States spends 6.8 percent of its domestic product for defense, while the Federal Republic of Germany spends 3.1 percent, and Japan ranks last among the allies spending only 1 percent. Further, the United States defense budget supports twice the spending of all other NATO allies combined.

The United States maintains forces permanently ashore in these nations to maintain mutual national security interests. At the end of fiscal year 1987, the Department of Defense supported over 1 million people overseas: 455,954 active duty military, 182,011 civilian employees, and 413,020 dependents. Eighty-eight percent of these personnel were stationed in NATO nations, Japan, and South Korea. According to another recent report transmitted by the Secretary of Defense, in 1987 it cost the Department of Defense over \$34.5 billion to maintain this presence. Over \$13 billion of these funds were lost to the U.S. economy and accounted for 8 percent of the U.S. balance of payments deficit in 1987.

The Committee is concerned that the Department of Defense current burdensharing efforts have been paled by additional costs caused by devaluation of the dollar. Since 1985, the additional cost of stationing U.S. forces overseas caused by the devaluation of the dollar has cost over \$10,000,000,000. The Committee believes that these costs should be borne by the taxpayers of NATO nations and Japan, who directly benefit from the security provided by U.S. forces; these additional costs should not be passed on as an additional burden for U.S. taxpayers to carry.

The Committee believes that it is time to take tangible action to more fairly distribute the burden of defense spending. Given the very real pressures caused by the budget deficit and the current trade imbalance with these same allied nations, it is not reasonable to expect U.S. taxpayers to continue to finance such a large percentage of the cost of common defense. The President and Secretary of Defense must intensify their efforts to redress the current spending imbalance.

The Committee, therefore, recommends bill language (section 8113) that:

- Requires the Secretary of Defense and Secretary of State to conduct a review of: (1) U.S. long-term strategic interest overseas; (2) the future requirements to station troops abroad; and, specific actions that will lead to a more balanced sharing of both Defense and foreign aid burdens. The findings of this review should be submitted to the Congress by March 1, 1989.
- Requires the President to appoint a special representative who shall have primary responsibility for conducting burdensharing negotiations directly with NATO member nations, Japan, the Republic of

South Korea, and other countries allied with the United States by treaty. The special representative's goal shall be to significantly increase these nations' Defense spending and support for U.S. forces stationed abroad, consistent with a more balanced sharing of both Defense and foreign aid burdens.

- Require the Secretary to submit the Defense budget with the cost of overseas operations displayed by appropriation.
- Establish a limitation on appropriated fund support for dependents overseas, to the number of dependents residing overseas at the end of fiscal year 1987, and requests the Secretary of Defense to develop and implement personnel and deployment policies to reduce the number of dependents overseas 10 percent by September 30, 1991.
- Extends the same type of end strength ceiling on forces permanently stationed ashore in NATO to forces stationed in Japan and South Korea.
- Requires that all costs above the level of 1988 expenditures for military and civilian personnel permanently stationed ashore overseas and operation and maintenance and facility costs for units and forces ashore overseas (exclusive of congressionally authorized pay raises for military and civilian employees) be financed either by Allied contributions or be absorbed within funds budgeted and appropriated for overseas activities. Prohibits the Department of Defense from using funds budgeted and appropriated for activities in the United States for these additional overseas costs, including the costs created through devaluation of the dollar.

Other burdensharing initiatives.—The Committee recommendation contains several other burdensharing initiatives discussed in more detail elsewhere in this report:

- Bill language requiring that pay raises for foreign national direct and indirect hire employees be at the same rate as that provided for U.S. citizens for a reduction of \$58,000,000.
- Bill language requiring the U.S.S. *Midway* to be repaired in the United States unless the Japanese Government arranges for alternative financing.
- A requirement for a report on untied loans from Western banks to Soviet block nations.
- Continuation of an overseas workyear ceiling for direct and indirect hire Department of Defense employees.
- A reduction of \$109,000,000 recognizing increased Japanese contributions for labor that were not reflected in the budget.
- Establishment of an equipment maintenance facility in Europe manned by Army Guard and Reserve maintenance companies on rotational deployments. This center will reduce the requirements for maintenance performed by foreign contractors, and will demonstrate the capability of the Army Guard and Reserve to perform overseas missions on a full-time basis.

- A reduction of \$91,000,000 for purchases of ammunition, equipment and munitions for Federal Republic of Germany reserve forces.
- Bill language stopping sale of Aegis technology to Japan, unless the Japanese Government agrees to purchase the Aegis ship as well.
- Deferral of \$3 million in development costs for the Evolutionary Surface to Air Missile until adequate cost-sharing arrangements with NATO are evaluated (the total program is estimated to cost \$397,000,000).
- A reduction of \$7,400,000 for Lance Follow-on Advance Development until cost arrangements are developed with NATO allies.
- A reduction of \$57,000,000, and termination of, the Enhanced Fighter Maneuverability Program because the U.S. cost share of 67 percent far outweighs benefits to U.S. forces.
- Restrictions of \$42,800,000 in fiscal year 1988 and \$76,700,000 in fiscal year 1989 funds for F-18 upgrades and \$7,500,000 in 1989 funds for the F-16 Agile Falcon until the Department of Defense demonstrates allied commitment to significant cost sharing.
- A reduction of \$3,800,000 in the NATO Comparative Test Program for test programs of allied equipment that duplicate programs in the service budgets.

SPECIAL OPERATION FORCES INITIATIVE

The Committee has recommended a new appropriation to enhance Special Operation Forces [SOF]. This account will augment funds already included in the budget for SOF. The Committee recommends \$869,000,000 for Operations and Maintenance and Procurement costs.

Special Operation Forces [SOF] provide the United States a highly flexible, specialized combat capability that in peacetime can contribute to combatting terrorism and play a key role in low intensity crises. In wartime, SOF can delay, divert and disrupt enemy operations, thereby gaining a critical edge for our conventional forces.

In recent years, great strides have been made in revitalizing the capabilities of our SOF. A major reorganization within the DOD to institutionalize SOF has taken place as a result of congressional initiatives. Although substantive progress has been made to reequip these forces with modern equipment, much remains to be done.

For fiscal year 1989, our SOF are short of both major and minor equipment. Operating costs are underfunded, partially because of current Persian Gulf operations. The outlook in future years is even bleaker as SOF funding is projected to decline from previous year funding levels, both 1990 and again in 1991.

In consideration of both the 1989 funding levels and unfavorable out-year trends, the Committee has chosen to provide funds to offset current operating shortfalls and accelerate the equipping of these forces. This initiative is shown on the following table:

SPECIAL OPERATION FORCES INITIATIVE

[In millions of dollars]

	Army	Navy	Air Force	Total
Operations and maintenance	45.0	30.0		75.0
Procurement:				
Miscellaneous equipment.....	150.0	100.0		250.0
MH-47E Mods	100.6	.....		100.0
Patrol boats.....		100.0		100.0
AC-130U aircraft.....			242.5	242.5
MC-130H aircraft			101.0	101.0
Total procurement	250.6	200.0	343.5	794.1
Total.....	295.6	230.0	343.5	868.5

Operation and maintenance funding.—To be applied to known or expected shortfalls such as those generated by the current Persian Gulf operation supported by the Navy SEAL's. Also increased funding is needed for continued sustainability of Special Forces. In fiscal year 1989, additional funds are needed to correct known shortfalls in aircraft spares and other O&M-funded readiness and sustainability activities.

Miscellaneous equipment.—To include classified items, munitions, communications, equipment such as lightweight radios for ground units, vehicles, night vision devices, and support items.

MH-47E mods.—Buys out remaining planned program scheduled for fiscal year 1990, savings through economy of scale with planned fiscal year 1989 procurement.

Patrol boats.—Fills urgent Persian Gulf needs and other special mission requirements.

AC 130-U and MC-130H.—Buys out remaining five AC-130U and two MC-130H aircraft requirements and realizes savings through economy of scale when combined with the planned fiscal year 1989 procurement.

The Special Operations Force appropriation is included in title VII of this bill.

DRUG INTERDICTION

The Committee recommends a new appropriation "Drug Interdiction, Defense" to enhance Department of Defense drug interdiction activities. This account will augment resources already included in the budget for Defense assistance in the war against drugs. The Committee recommends an appropriation to \$199,060,000 for operations, research and development, and military personnel costs.

This funding will provide operations funds for: five dedicated E-3 AWACS aircraft; eight dedicated E-2C aircraft; eight Navy frigates dedicated to drug interdiction patrols in conjunction with Coast Guard operations, and Army National Guard assets needed in assisting southwest border drug interdiction. The funding also includes research and development for Relocatable Over the Horizon Radar [ROTHR] which the Committee believes can provide continuous surveillance of the

primary drug smuggling routes. This new technology may obviate the need to procure additional airborne surveillance assets in the future.

The drug interdiction appropriation is more fully discussed in title VII of this report.

INTELLIGENCE SUPPORT TO ARMS CONTROL MONITORING

Earlier in the year, the Senate concerned itself with the ratification of the INF Treaty. In reviewing all aspects of this treaty, the United States ability to effectively monitor Soviet compliance with the INF Treaty as well as a possible future START Treaty was carefully considered. The result of this review was a determination that additional resources were needed to provide sufficient intelligence capabilities to meet current and projected future needs to monitor Soviet strategic weapons development and deployment.

The Senate Intelligence Committee developed a plan of action which was included in the Defense Authorization Bill which was passed by the Senate. The Administration recognized the need for action and developed its own plan which incorporated elements of the earlier Senate passed plan as well as certain new elements. After careful consideration, the new plan has been approved by both the Senate and House Intelligence Committee conferees in the conference on the Defense Authorization Bill. This new plan has been incorporated as part of the Defense Appropriations Bill markup. The details of this plan are highly classified and are included in the classified annex to this Committee report.

TRANSFERS

The Committee recommends transfer of \$1,208,400,000 from procurement and research and development funds appropriated in prior years to shipbuilding and conversion, Navy. These funds are to be used to finance the acquisition of an additional DDG-51 destroyer authorized in 1987 and for miscellaneous financing adjustments to various shipbuilding programs.

RELATIONSHIP TO AUTHORIZATION

While the Committee is trying to conform to the authorization action, the ongoing authorization conference is as yet incomplete, changes appear almost daily. Furthermore, the authorization bill will not, and is not required to, comply with the outlay targets that were set in the budget resolution. Notwithstanding this situation, the Committee believes that its recommendations are below the authorization dollar level in all accounts that are authorized based on data available to the Committee at the time of markup. The Committee has found significant savings and applied these savings within its 302(b) allocation in space, special operations forces, and drug interdiction.

COMPLIANCE WITH SECTION 308 OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93-344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the first concurrent resolution. The following table provides these data:

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a),
PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1989: Subcommittee on Defense.....	282.65	282,650	278.36	278,345
Projections of outlays associated with budget authority recommended in the bill:				
1989.....				² 170,686
1990.....				66,370
1991.....				28,506
1992.....				8,890
1993 and future year.....				8,198
Financial assistance to State and local governments for 1989 in the bill.....				
	Direct loans		Loan guarantees	
Credit authority estimates, fiscal year 1989.....				

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

SUMMARY OF COMMITTEE MANDATED REPORTING AND INFORMATION REQUIREMENTS

Mandated reporting and information requirements include:

Research and development

Comprehensive analysis, including cost and military effectiveness, of the antitactical missile systems.

Cost effectiveness of the UH-60 helicopter multistage improvement program and its alternatives.

Report on the feasibility of a Navy manufacturing technology regional teaching factory.

Report on electronic warfare systems alternatives for defending airlift aircraft.

Cost and military effectiveness comparison of the airborne warning and control system radar upgrade with other alternatives.

Results of efforts to obtain allied contributions to two missile programs.

Report on the air defense initiative, including its relationship with other aerial surveillance/target engagement programs.

Report on the relationship of the NATO R&D F/A-18 upgrade and the F-16 Agile Falcon programs with other U.S. tactical aircraft developments.

Report on the status and implications of a restructuring of the strategic defense initiative.

Report on the implementation of a defense training and simulation technology transfer initiative.

Report on the status of the long-range cruise missile.

Procurement

Transfer of unobligated balances.

F-109 engines.

National Guard and Reserve report on items of equipment to be procured with unspecified procurement appropriations.

Type classification of XM-900E1 round.

Testing of XM-762 electronic fuze.

Light infantry training center.

Ship overhaul adjustment allocation.

Crow Valley training range plans.

Medical information system field test results.

Medical information system architecture plans.

Operation and maintenance

Require the Assistant Secretary of Defense for Production and Logistics to submit a report on depot maintenance backlogs by December 1, 1988.

Require Assistant Secretary of Defense Comptroller and Assistant Secretary of Defense Production and Logistics to annually review and approve service depot maintenance backlog estimates.

Secretary of Defense to submit an evaluation of the Inspector General report on unified and specified command structure by October 20, 1988.

General Accounting Office to provide quarterly review of Navy ship maintenance and modernization schedules.

REPROGRAMMING OF APPROPRIATED FUNDS

In Public Law 100-202, section 8019, the Congress authorized reprogrammings for unforeseen military requirements for higher priority items than originally appropriated. For fiscal year 1988, the Committee received 36 reprogrammings with a total dollar value of \$1,915,905,000. A statistical summary of these reprogramming actions during the last decade is shown below:

DEPARTMENT OF DEFENSE REPROGRAMMINGS

[Dollars in millions]

	Number of actions	Value of program increase proposals
Fiscal year:		
1976 (and transition quarter).....	49	\$849
1977.....	55	1,039
1978.....	66	1,238
1979.....	60	1,162
1980.....	71	1,217
1981.....	51	929
1982.....	75	1,681
1983.....	93	2,528
1984.....	96	1,644
1985.....	86	2,128
1986.....	61	¹ 5,810
1987.....	58	² 2,151
1988.....	36	³ 1,916

¹Includes \$4,225,066,000 authorized by Public Law 99-190 as amended.²Includes \$490,372,000 authorized by Public Law 100-71.³As of June 1988.

TRANSFER AUTHORITY

Section 8014 provides authority for the Secretary of Defense to transfer not more than \$3,000,000,000 of working capital funds or appropriated funds between appropriations or major subdivisions thereof. Reprogrammings that make such transfers are subject to this limitation.

TITLE I

MILITARY PERSONNEL

1988 appropriations.....	\$76,145,179,000
1989 budget request.....	78,399,300,000
1989 House allowance.....	78,399,522,000
1989 Committee recommendation.....	78,461,598,000

Funds appropriated under this title provide for the pay, allowances, subsistence, permanent change of station travel, and various other personnel costs for the uniformed members of the Armed Forces. The level of active duty military personnel requested in the President's fiscal year 1989 budget is 2,138,300, which is 27 below the authorized end strength for fiscal year 1988. It should be noted that the original budget for fiscal year 1989 contained an end strength request of 2,184,400, which was reduced in the amended fiscal year 1989 budget to 2,138,300. This reduction was actually taken in fiscal year 1988. The level of Reserve and National Guard personnel requested in the 1989 budget is 1,172,900, which is 530 end strength above fiscal year 1988.

A total of \$78,399,300,000 is requested in the President's fiscal year 1989 budget for military personnel appropriations, which is \$2,254,121,000 above the fiscal year 1988 level. Of the request, \$63,255,527,000 is for pay and allowances for officers and enlisted personnel, \$3,138,880,000 is for subsistence of enlisted personnel, \$2,555,936,000 is for permanent change of station travel, \$243,857,000 is for other personnel costs such as unemployment compensation, \$9,205,100,000 is for Guard and Reserve paid drill, initial training, and full-time support of the Guard and Reserve. The budget requests \$69,194,200,000 for active duty forces.

SUMMARY OF COMMITTEE ACTION

The Committee recommends appropriations totaling \$78,461,598,000 in title I, military personnel, for fiscal year 1989. This amount is \$62,298,000 above the budget request and \$62,076,000 above the House allowance.

The Committee fully funds authorized end strength.

Committee appropriation recommendations are displayed in the following table:

SUMMARY OF MILITARY PERSONNEL APPROPRIATIONS, TITLE I

[In thousands of dollars]

	1988	Budget estimate	House allowance	Committee recommendation	Committee compared with—	
					1988	Budget
Military personnel Army	\$22,701,252	\$24,418,500	\$24,467,893	\$24,459,745	\$1,758,493	\$41,245
Military personnel Navy	18,176,297	18,965,300	18,943,103	19,995,300	789,003	22,197
Military personnel Marine Corps	5,542,842	5,716,000	5,704,953	5,716,200	173,358	11,247
Military personnel Air Force	19,815,960	20,094,200	20,092,052	20,096,403	280,443	-49,649
Reserve personnel, Army	2,262,885	2,260,000	2,255,870	2,261,200	-1,685	5,330
Reserve personnel, Navy	1,512,963	1,621,400	1,617,185	1,621,400	108,437	4,215
Reserve personnel, Marine Corps	295,411	315,700	315,149	315,700	20,289	551
Reserve personnel, Air Force ...	615,081	655,300	656,771	657,964	42,883	1,193
National Guard personnel, Army	3,234,298	3,325,300	3,319,049	3,334,000	98,701	14,951
National Guard personnel, Air Force	988,189	1,027,400	1,027,497	1,033,686	45,497	6,189
Total military personnel...	76,145,179	78,399,300	78,399,522	78,461,598	2,316,419	62,076

MILITARY MANPOWER END STRENGTH

The following tables summarize adjustments to the 1989 manpower request for Active, Guard, and Reserve Forces:

MILITARY STRENGTH—ACTIVE FORCES

[End strength]

	Fiscal year 1989—				
	1988	Budget request	Authori- zation	House allowance	Committee recomm- dation
Army	772,300	772,300	771,800	772,300	771,800
Navy	593,200	593,200	593,200	593,200	593,200
Marine Corps	197,224	197,200	197,200	197,200	197,200
Air Force	575,603	575,600	575,100	575,600	575,100
Total Active Forces	2,138,327	2,138,300	2,137,200	2,138,300	2,137,300

MILITARY STRENGTH—GUARD AND RESERVE FORCES

[End strength]

	Fiscal year 1989—				
	1988	Budget request	Authori- zation	House allowance	Committee recomm- dation
Army Reserve	320,600	320,600	320,600	320,600	320,600
Navy Reserve	152,600	152,600	152,600	152,600	152,600
Marine Corps Reserve	43,600	43,600	43,600	43,600	43,600
Air Force Reserve	82,400	83,600	83,600	83,999	83,600
Army National Guard	457,270	457,300	457,300	457,300	457,300
Air National Guard	115,900	115,200	115,200	115,490	115,200
Total Guard and Re- serve	1,172,370	1,172,900	1,172,900	1,173,589	1,172,900

GUARD AND RESERVE FULL-TIME SUPPORT—END STRENGTH¹

Fiscal year 1989—						
	1988 estimate	Budget request	Authorization ¹	House allowance	Committee recommendation	Compared with budget request
Army Reserve:						
Full time.....	13,329	13,329	13,329	12,932	13,329	.....
Technicians.....	8,429	8,032	8,032	8,429	8,032	.....
Navy Reserve: Full time.....	21,991	21,991	21,991	21,991	21,991	.....
Marine Corps Reserve: Full time.....	1,945	1,945	1,945	1,945	1,945	.....
Air Force Reserve:						
Full time.....	669	657	657	657	657	.....
Technicians.....	9,994	10,004	10,090	10,090	10,090	86
Army National Guard:						
Full time.....	25,725	25,725	25,725	25,725	25,725	.....
Technicians.....	28,120	28,120	28,120	28,120	28,120	.....
Air National Guard:						
Full time.....	7,836	7,948	7,948	7,965	7,948	.....
Technicians.....	23,615	23,613	23,696	23,696	23,696	73
Total:						
Full time.....	71,495	71,595	71,595	71,215	71,595	.....
Technicians.....	70,158	69,769	69,928	70,325	69,928	.....

¹Civilian technicians are funded in operation and maintenance appropriations and their end strength is not specifically authorized. Active Guard and Reserve (AGR/TAR/FTS) personnel are funded and authorized in military personnel.

DEPENDENTS OVERSEAS

The Committee continues to be concerned with the number of military and civilian dependents residing overseas. Their safety, the significant resources needed to evacuate them, and the overall cost of maintaining their presence overseas, especially in a period when the dollar is declining rapidly, are all major concerns.

The Committee believes that the Department's ability to evacuate dependents in the event of hostilities is highly questionable. The existence of large numbers of dependents in an area like West Germany would provide a liability for United States forces should a war ever break out. Dependents would be evacuated along the same railways, roads, and aerial ports that United States forces would need to use for transport. Further, the need to ensure that families are safe, would put a tremendous strain on the ability of United States troops to rapidly deploy. Soviet forces that would be attacking under such a scenario would not be subjected to similar impediments, since Soviet forces largely do not have dependents accompanying them. Thus, in terms of war-fighting capability, the absence of a large number of dependents could provide Soviet forces with a very real military advantage.

The Committee is sensitive to the Department's desire to avoid family separation, as was reflected in the Department's recent report on dependents overseas. The Committee believes that a solution to reducing dependents overseas is to adopt shorter tours, such as the Marine Corps uses in Okinawa. Marine Corps battalions deploy as a cohesive unit for 6 months and do so without the long transition time required by the Army. Thus, a seldom recognized benefit to the Marine Corps model is the saving of at least one-twelfth of a military workyear. Under the Army's overseas deployment model, a soldier may often be 1 month in transit before he or she assumes a new position overseas. Under the Marine Corps model, a cohesive unit is combat ready after a short transit. Since the Marine Corps personnel are deployed on tour-of-duty for only 6 months, they are unaccompanied tours that do not increase the number of dependents overseas.

The Committee believes that it is time for the Department of Defense to take substantive action to reduce dependents overseas. At the end of fiscal year 1987, the Department of Defense supported 413,020 dependents overseas—nearly one dependent for every military end strength permanently assigned in foreign nations. This is an increase of 38,894 since 1980. The Committee believes that action is necessary and has included bill language (sec. 8113) to prohibit appropriated support for dependents overseas at any level above the number residing overseas at the end of fiscal year 1987. Further, the bill language requests the Secretary of Defense to develop and implement personnel and deployment policies so that the number of dependents overseas is reduced by 10 percent by the end of fiscal year 1991.

JAPAN/SOUTH KOREA TROOP CEILING

The Committee is concerned with the large number of troops permanently stationed ashore in Japan and South Korea. At a hearing on May 26, 1988, the Committee heard testimony from witnesses of the Departments of Defense and State on United States security, economic, and political interests in these nations and the cost of stationing forces permanently ashore.

The United States has significant strategic interests in both nations, as is reflected by the presence of almost 200,000 defense personnel: military personnel (94,000), civilian employees (41,000), and dependents (59,000). The economic relations between the United States and these nations have undergone significant change in recent years. The United States trade balance with South Korea has shifted from a trade surplus in 1981, to a projected trade deficit of \$10,000,000,000 in 1988. The United States trade deficit with Japan is now approaching \$60,000,000,000. According to the Department of Defense data, in fiscal year 1987, prior to the most recent devaluation of the dollar, the Defense Department spent \$4,201,119,000 to maintain forces in these nations.

As noted at the Committee hearing, the Department of Defense has been increasing military presence in Japan and South Korea. Military personnel permanently assigned ashore have increased by 7,666 end strength since 1980. The Committee also is aware that the services are proposing to shift or create more missions in this region, such as the Air Force proposal to create a Pacific distribution air logistics program in Japan. The Committee believes that it would not be desirable to create additional presence in these nations. Current political unrest in South Korea, the continued modernization of South Korean military forces vis-a-vis North Korea, the unfavorable trade balance with both Japan and Korea, the devaluation of the dollar, and the inadequate Defense burden assumed by Japan—all suggest that it would not be prudent to increase United States forces in these two nations.

Accordingly, the Committee recommends bill language (sec. 8113) that creates a military end strength ceiling for United States forces assigned to these two nations at the end of fiscal year 1987 level of 94,450 end strength. This type of end strength ceiling already has been in effect for United States forces assigned to NATO.

VARIABLE HOUSING ALLOWANCE

The Committee recommends a cap on variable housing allowance funding of \$1,150,000,000 and has included a general provision (sec. 8112) setting forth this cap and providing for rate adjustments.

In fiscal year 1988, the Department of Defense incorrectly estimated requirements for the variable housing allowance resulting in a shortfall at the end of fiscal year 1988 of some \$27,000,000. In order to accommodate this shortfall, the Department may find it necessary to reduce VHA payments by an average of \$10 per month per recipient for the last 3 months of the fiscal year. While the Department is clearly at fault in this matter, the Committee does not feel that service members en-

titled to VHA payments should be forced to bear the brunt of the Department's mistake. Therefore, the Committee has included in section 8112 a provision which would allow repayment to VHA recipients whose payments were reduced in fiscal year 1988. While this is not a perfect solution, it will at least assure that VHA recipients do not in the end lose payments to which they are entitled.

The Committee expects the Department to accommodate this \$27,000,000 repayment within the cap established in section 8112. Further, the Committee expects that the Department will accurately reflect rates in fiscal year 1989 that will allow it to remain within the cap.

PAY RAISE

The House assumed a 4-percent military pay increase and has reduced each military personnel account accordingly. The Committee has not taken these reductions and has fully funded the recommended 4.3-percent military pay raise.

MILITARY PERSONNEL, ARMY

1988 appropriation	\$23,701,252,000
1989 budget estimate	24,418,500,000
House allowance	24,467,893,000
Committee recommendation	24,459,745,000

The Committee recommends an appropriation of \$24,459,745,000 for fiscal year 1989. This is \$41,245,000 above the budget request and \$8,148,000 below the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	24,418,500	24,418,500	
Pay raise	- 47,435		+ 47,435
Enlisted pay and allowances	+ 100,000	+ 75,000	- 25,000
PCS	- 3,172	- 3,172	
Officer reduction		- 20,583	- 20,583
Combat field feeding system		- 10,000	- 10,000
Total adjustments	+ 49,393	+ 41,245	- 8,148
Recommended appropriation	24,467,893	24,459,745	

The Committee has recommended an addition of \$75,000,000 to the Army's budget request to be used only for the shortfall in the "Enlisted pay and allowances" account. The Committee believes it is important that the Army properly fund the planned military strength in the future and not rely on the Committee to correct their errors.

The Committee has also reduced the "Military personnel" account by \$20,583,000 to accommodate the reduction of 500 officers and the increase of enlisted authorized by the Armed Services Committees.

In addition, the Committee has reduced the request for the combat field feeding system [CFFS] by \$10,000,000. This account was used as a source for reprogrammings in fiscal year 1988, and the Committee understands that the phase-in of the CFFS is still experiencing a slowdown.

ARMY MILITARY ENLISTMENT PROCESSING STATION

The military enlistment processing station for central Florida is currently located in temporary quarters in St. Petersburg. Efforts are currently underway to establish a new Federal facility in Lakeland, which could be designed to accommodate enlistment operations.

Lakeland, by virtue of its central location on the Interstate 4 corridor between Tampa/St. Petersburg and Orlando and ready access to international airports in those cities, would be an ideal location for centralized enlistment processing for all of central Florida. Also cost savings could be achieved by including a military enlistment processing station for central Florida within the new Lakeland facility, which could be designed to meet MEPS requirements.

The Committee, therefore, requests MEPS officials to work with the General Services Administration to develop detailed plans for including the military enlistment processing station for central Florida within the new Lakeland facility.

MILITARY PERSONNEL, NAVY

1988 appropriation	\$18,176,297,000
1989 budget estimate	18,965,300,000
House allowance	18,943,103,000
Committee recommendation	18,965,300,000

The Committee recommends an appropriation of \$18,965,300,000 for fiscal year 1989, the amount of the budget request. This is \$22,197,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	18,965,300	18,965,300	
Reenlistment bonuses	- 2,844		+ 2,844
Pay raise	- 36,223		+ 36,223
Aviation continuation bonus	+ 16,870		- 16,870
Total adjustments	- 22,197		+ 22,197
Recommended appropriation	18,943,103	18,965,300	

The House has appropriated an additional \$16,870,000 for the Navy's portion of aviator continuation pay, more popularly known as the pilots' bonus. While the Committee is concerned about the potentially severe pilot retention problem, the Navy did not request additional

funds for this program and had indicated that it could absorb funds needed above the \$17,130,000 in the budget.

MILITARY PERSONNEL, MARINE CORPS

1988 appropriation	\$5,542,842,000
1989 budget estimate	5,716,200,000
House allowance	5,704,953,000
Committee recommendation	5,716,200,000

The Committee recommends an appropriation of \$5,716,200,000, the budget request for fiscal year 1989. This is \$11,247,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	5,716,200	5,716,200	
Pay raise	- 11,247		+ 11,247
Total adjustments	- 11,247		+ 11,247
Recommended appropriation	5,704,953	5,716,200	

MILITARY PERSONNEL, AIR FORCE

1988 appropriation	\$19,815,960,000
1989 budget estimate	20,094,200,000
House allowance	20,092,052,000
Committee recommendation	20,096,403,000

The Committee recommends an appropriation of \$20,096,403,000 for fiscal year 1989. This is \$2,203,000 above the budget request and \$4,351,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	20,094,200	20,094,200	
Pay raise	- 40,040		+ 40,040
Officer reductions		- 11,689	- 11,689
Aviation continuation pay	+ 54,000	+ 30,000	- 24,000
PCS	- 16,108	- 16,108	
Total adjustments	- 2,148	+ 2,203	
Recommended appropriation	20,092,052	20,096,403	

The Committee has recommended a reduction of \$11,689,000 to accommodate the reduction of 500 officer end strength and 125 colonels authorized by the Armed Services Committees. The Committee has included enlisted pay to replace these officers, but, if the Air Force

should decide to replace them with civilians, the Committee would entertain a reprogramming to accomplish this.

GUARD AND RESERVE PERSONNEL

Force structure reinstatement.—The Committee recommends increased funding for Air Force Reserve and Air National Guard Force structure. The Committee strongly disagrees with the Air Force proposal to reduce four Air National Guard and five Air Force Reserve units in 1989, and to reduce a wing equivalent from the Guard and Reserve by 1991. This issue is discussed in the operation and maintenance summary.

The Committee recommends increasing Reserve personnel, Air Force, by \$2,664,000 to reinstate funding for 399 selected reservists. The recommended increase of \$5,400,000 in operation and maintenance funds 86 civilian technicians. The Committee recommends increasing National Guard personnel, Air Force, by \$3,286,000 to reinstate funding for 290 selected reservists and full-time support. The recommended increase of \$5,600,000 in operation and maintenance retains 73 technicians.

Full-time support.—The Committee recommends increasing Army and Air National Guard personnel accounts by \$10,000,000. The Committee recommends increasing National Guard personnel, Army, by \$7,000,000, and National Guard, Air Force, by \$3,000,000. This funding is recommended in light of the increasing roles and missions of the Guard, including initial manning on a roundout battalion for the Sixth Light Infantry Division. The recommendation recognizes the increased manpower requirements that are being created as the Guard modernizes and the shortfall in the budget request due to FICA payments.

Guard and Reserve overseas—Equipment maintenance center.—In its 1987 and 1988 reports, the Committee strongly recommended that the Guard and Reserve assume full-time missions overseas. The Committee noted that overseas presence on a full-time basis would further the total force concept, and requested a report on specific missions that could be assumed overseas.

The Committee is pleased that the Army has developed an innovative and meaningful proposal in response to the Committee request. The Army has proposed creating an equipment maintenance center in the Federal Republic of Germany to be manned by 30 Army Reserve and Army Guard full-time personnel, with Guard and Reserve maintenance companies from the United States manning the centers during 3 week active duty deployments. A typical Guard and Reserve maintenance company would make a deployment to the center every 3 years.

This center will better target and use current overseas deployment training to maximize benefits for the total force. It will enable Guard and Reserve units to train on the Army's most modern heavy equipment systems. Further, this center will meet an important requirement in U.S. Army Europe (which will provide the facilities and equipment needed). Much of the equipment that will be repaired and maintained is currently maintained at a high cost by foreign contractors.

The Committee recommends increasing Army Guard and Reserve personnel appropriations by \$2,900,000 to fund the additional week of active duty training required for rotating companies.

The Committee believes that this overseas equipment maintenance center will demonstrate the capability of the Army Guard and Reserve to assume overseas missions on a full-time basis, and the Committee looks forward to further overseas missions being tasked to the Guard and Reserve.

RESERVE PERSONNEL, ARMY

1988 appropriation	\$2,262,885,000
1989 budget estimate	2,260,000,000
House allowance	2,255,870,000
Committee recommendation	2,261,200,000

The Committee recommends an appropriation of \$2,261,200,000 for fiscal year 1989. This is \$1,200,000 above the budget request and \$5,330,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	2,260,000	2,260,000	
Pay raise	- 4,130		4,130
Full-time support [AGR's]	- 17,000		17,000
Overseas maintenance center		1,200	1,200
IRR screen/training	+ 17,000		- 17,000
Recommended appropriation	2,255,870	2,261,200	5,330

RESERVE PERSONNEL, NAVY

1988 appropriation	\$1,512,963,000
1989 budget estimate	1,621,400,000
House allowance	1,617,185,000
Committee recommendation	1,621,400,000

The Committee recommends an appropriation of \$1,621,400,000 for fiscal year 1989. This is consistent with the budget request and \$4,215,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	1,621,400	1,621,400	
Pay raise	- 2,937		2,937
Mobilization training	- 1,278		1,278
Recommended appropriation	1,617,185	1,621,400	4,215

RESERVE PERSONNEL, MARINE CORPS

1988 appropriation	\$295,411,000
1989 budget estimate	315,700,000
House allowance	315,149,000
Committee recommendation	315,700,000

The Committee recommends an appropriation of \$315,700,000 for fiscal year 1989. This is consistent with the budget request and \$551,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	315,700	315,700	
Pay raise	- 551		551
Recommended appropriation	315,149	315,700	551

RESERVE PERSONNEL, AIR FORCE

1988 appropriation	\$615,081,000
1989 budget estimate	655,300,000
House allowance	656,771,000
Committee recommendation	657,964,000

The Committee recommends an appropriation of \$657,964,000 for fiscal year 1989. This is \$2,664,000 above the budget request and \$1,193,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	655,300	655,300	
Pay raise	- 1,193		1,193
Force structure	2,664	2,664	
Recommended appropriation	656,771	657,964	1,193

NATIONAL GUARD PERSONNEL, ARMY

1988 appropriation	\$3,234,299,000
1989 budget estimate	3,325,300,000
House allowance	3,319,049,000
Committee recommendation	3,334,000,000

The Committee recommends an appropriation of \$3,334,000,000 for fiscal year 1989. This is \$8,700,000 above the budget request and \$14,951,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	3,325,300	3,325,300	
Pay raise	- 6,251		6,251
Full-time support [AGR's]		7,000	7,000
Overseas maintenance center		1,700	1,700
Recommended appropriation	3,319,049	3,334,000	14,951

NATIONAL GUARD PERSONNEL, AIR FORCE

1988 appropriation	\$988,189,000
1989 budget estimate	1,027,400,000
House allowance	1,027,497,000
Committee recommendation	1,033,686,000

The Committee recommends an appropriation of \$1,033,686,000 for fiscal year 1989. This is \$6,286,000 above the budget request and \$6,189,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	1,027,400	1,027,400	
Pay raise	- 1,980		1,980
Full-time support [AGR's]		3,000	3,000
Force structure	2,077	3,286	1,209
Recommended appropriation	1,027,497	1,033,686	6,189

TITLE II
OPERATION AND MAINTENANCE

1988 appropriation	\$80,337,490,000
1989 budget request.....	85,633,900,000
House allowance.....	85,718,225,000
Committee recommendation.....	85,176,691,000

The Committee recommends appropriations totaling \$85,176,691,000 in title II, operation and maintenance, for fiscal year 1989. This is \$457,209,000 below the budget estimate and \$541,534,000 below the House allowance.

The Committee recommendations, by appropriation account, are compared with the budget estimate and House allowance in the following table:

(33)

SUMMARY OF OPERATION AND MAINTENANCE

[In thousands of dollars]

	1988 enacted	Budget estimate	House allowance	Committee recommendation	Committee compared with—		
					Fiscal year 1988	Budget request	House
O&M Army	20,853,205	22,085,200	22,094,277	22,015,900	1,162,695	-69,300	-78,377
O&M Navy	23,601,462	24,945,800	24,992,800	24,853,901	1,252,439	-91,899	-136,898
O&M Marine Corps	1,819,188	1,792,000	1,842,000	1,774,600	-44,588	-17,400	-67,400
O&M Air Force	19,661,448	21,950,000	21,890,400	21,817,327	2,155,879	-132,673	-73,073
O&M Defense Agencies	7,112,951	7,710,600	7,721,100	7,547,463	435,512	-163,137	-173,637
O&M Army Reserve	857,540	794,900	794,900	794,900	-62,640	.....	.....
O&M Navy Reserve	928,896	979,200	977,548	979,200	49,304	.....	1,652
O&M Marine Corps Reserve	68,500	77,500	77,500	77,500	8,000	.....	.....
O&M Air Force Reserve	1,000,981	1,028,500	1,033,900	1,028,500	27,519	.....	-5,400
O&M Army National Guard	1,856,542	1,797,000	1,797,000	1,801,200	-55,342	4,200	4,200
O&M Air National Guard	1,958,063	1,965,400	1,971,000	1,965,400	7,337	.....	-5,600
National Rifle Board	4,099	4,300	4,300	4,300	201	.....	.....
Claims, Defense	193,574	.....	.....	.....	-193,574	.....	.....
Court of Military Appeals	3,241	3,500	3,500	3,500	259	.....	.....
Environmental restoration	402,800	500,000	500,000	500,000	97,200	.....	.....
Humanitarian assistance	13,000	.....	13,000	13,000	.....	13,000	.....
Goodwill Games .....	.....	.....	5,000	.....	.....	.....	-5,000
Total O&M	80,337,490	85,633,900	85,718,225	85,176,691	4,839,201	-457,209	-541,534

¹ In 1989, appropriations for claims are transferred into the various operation and maintenance accounts, thus obviating the need for "Claims, Defense" appropriations.

SUMMARY OF COMMITTEE ACTION

Appropriations under this title finance the costs of operating and maintaining the Armed Forces, including the Reserve components and Department of Defense agencies. Included are funds for pay of civilians, maintenance and repair of facilities and weapons systems, fuel, supplies, services, and repair parts. Activities such as flying hours, steaming hours, training, travel, health care, and education are provided for under this title.

The Committee recommendation provides an increase of \$4,839,201,-000 above fiscal year 1988 funding for Operation and maintenance accounts. Increases by appropriation accounts are as follows:

[In thousands of dollars]

	1988 appropriation	Committee recommendation	Change
O&M Army	20,853,205	22,015,900	+ 1,162,695
O&M Navy	23,601,462	24,853,901	+ 1,252,439
O&M Marine Corps	1,819,188	1,774,600	- 44,588
O&M Air Force	19,661,448	21,817,327	+ 2,155,879
O&M Defense Agencies	7,112,951	7,547,463	+ 434,512
O&M Army Reserve	857,540	794,900	- 62,640
O&M Navy Reserve	929,896	979,200	+ 49,304
O&M Marine Corps Reserve	69,500	77,500	+ 8,000
O&M Air Force Reserve	1,000,981	1,028,500	+ 27,519
O&M Army National Guard	1,856,542	1,801,200	- 55,342
O&M Air National Guard	1,958,063	1,965,400	+ 7,337
National Rifle Board	4,099	4,300	+ 201
Claims Defense	193,574		- 193,574
Military Appeals	3,241	3,500	+ 259
Environmental restoration	402,800	500,000	+ 97,200
Humanitarian assistance	13,000	13,000	
Total O&M	80,337,490	85,176,691	+ 4,839,201

The Committee provides an increase of \$2,155,879,000 for Air Force operation and maintenance, nearly double the increase provided other services. For Guard and Reserve accounts the Committee has provided appropriations to the maximum level allowed by authorization. Unfortunately, the Guard and Reserve were not increased significantly in the 1989 budget request and the authorization process. The Committee has endeavored to protect Guard and Reserve readiness within the amounts requested and authorized.

READINESS FUNDING

The Committee recommendation fully supports the readiness activities in the "Operation and maintenance" request. The recommendation funds \$11,914,375,000 for depot maintenance and modernization, an increase of \$343,675,000 above the budget request. The Committee also has not accepted House proposed reductions in Army, Navy and Air Force flying hours, and has included \$338,299,000 for Navy aviation depot repairable spare parts, Army National Guard flying hours, Army ground training operating tempo, and Air Force Reserve and Air National Guard flying hours. These Committee recommendations

should enable the Department to realistically execute at the readiness levels proposed in the budget.

Readiness factors supported by the Committee recommendation are displayed below:

READINESS INDICATORS

	Fiscal year 1980	Fiscal year 1988 est.	Committee recommendation fiscal year 1989
Tactical flying hours (per month):			
Army	NA	15.2	15.8
Navy/Marines	25.0	25.0	25.0
Air Force	15.7	18.2	19.3
Navy primary mission readiness (percent).....	82.0	87.0	87.0
Army ground training operating tempo (tank-miles per year).....	NA	725	850
Navy steaming days per quarter:			
Deployed fleet.....	56.6	50.5	50.5
Nondeployed.....	28.6	29.0	29.0

CIVILIAN FURLOUGHS/RETIREMENT COSTS

The Air Force Logistics Command proposal to furlough civilian workers in 1988 was shortsighted. The impact on morale, and loss of productivity far outweighed any savings that might have resulted from such an extreme measure. The Committee is pleased that while the Army and other Air Force commands also suggested such actions, they did not follow the Air Force Logistics Command's example and formally propose furloughs.

The Air Force and Department of Defense claimed that furloughs might be necessary because of inadequate funding for operation and maintenance. Since those initial reports, the Committee has become aware of one example after another in which funds were "discovered" to postpone such adverse action. The Committee recently became aware that of the \$2,907,000,000 appropriated for Federal Employee Retirement System [FERS] costs, only \$1,567,900,000 was actually needed for FERS. Consequently, the Department received \$1,339,100,000 in appropriations for FERS above amounts required. These data are displayed below:

1988 FEDERAL RETIREMENT SYSTEM OVERFUNDING

	Appropriation	Requirement	Overfunding
Army	\$856,200,000	\$427,300,000	\$428,900,000
Navy.....	816,200,000	485,100,000	331,100,000
Marine Corps.....	42,100,000	25,800,000	16,500,000
Air Force.....	697,000,000	301,000,000	396,000,000
Defense Agencies	495,500,000	328,900,000	166,600,000
Total.....	2,907,000,000	1,567,900,000	1,339,100,000

Thus, while the Air Force Logistics Command was proposing a 10-day furlough of 84,000 civilian workers because of a perceived \$69,000,000 funding shortfall, the total Air Force was realizing an ap-

appropriation windfall of almost \$400,000,000. Even taking into account pay raise absorption costs, the Air Force still had \$300,000,000 available. Clearly, such a proposed furlough was not only shortsighted, but also financially unjustified.

Civilian pay reserve.—The Committee believes that further proposals to furlough civilian employees should be prevented. Air Force officials testified before the Committee that part of their rationale for proposing furloughs was that they had obligated too much of the operation and maintenance appropriation in the first quarter, fiscal year 1988. To prevent such a recurrence, the Committee recommends bill language withholding one-fourth of the civilian pay requirements for operation and maintenance (and for industrial fund pay of civilian personnel financed by operation and maintenance) until the fourth quarter of fiscal year 1989. These funds will be available only for civilian personnel and related costs. Bill language is included in the Army, Navy, Marine Corps, Air Force, and Defense Agencies operation and maintenance accounts.

The Committee also has increased the "Air Force operation and maintenance" account, and its civilian pay reserve, by \$69,000,000. In 1988, the Air Force proposed furloughing 84,000 civilian personnel for 10 days because of a projected shortfall of \$69,000,000 within the \$19,661,448,000 "Operation and maintenance, Air Force" account.

The civilian pay reserve for all services and Defense Agencies and the increase of \$69,000,000 for the Air Force should ensure that no furlough actions unrelated to workload adjustments are proposed in 1989.

REPROGRAMMING THRESHOLD FOR OPERATION AND MAINTENANCE

The Committee concurs with the House in raising the threshold for Operation and Maintenance reprogrammings from \$5,000,000 to \$10,000,000, excluding interest items. The Committee emphasizes that any reduction of funds from an item specifically increased in this report, or failure to spend funds for the purposes appropriated as specified in this report, is subject to reprogramming or an official rescission notification. In the absence of an official rescission transmittal, the Department and services are expected to apportion funds immediately for obligation.

CIVILIAN PAY RAISE

The Committee has provided \$553,000,000 for the civilian pay raise, the budget request for a 2-percent pay raise, which is \$120,000,000 over the Congressional Budget Office estimate. The Committee is aware of significant past inaccuracies in the Department's civilian personnel work-year cost estimates. The Committee has included bill language so that if the Federal civilian pay raise ultimately is authorized at more than 2 percent, the Department must absorb any additional requirement.

BUDGET JUSTIFICATION MATERIALS

The budget summit agreement required significant revisions in the original 1989 operation and maintenance budget submission. Within 3 months, Department of Defense comptroller staffs determined how \$4,396,100,000 should be reduced from the original 1989 budget submission, and displayed these changes in detail by program and budget activity. The quality of such documents as the 1989 operation and maintenance overview, industrial fund overview, and budget justification books reflects well on the professionalism and capability of Department of Defense financial management personnel.

The Committee also recognizes the efforts made by the Department of Defense Comptroller in producing the first stock fund overview. This document will facilitate review and understanding of these revolving funds. In 1990, it would be helpful if more detail and description were provided for inapplicable inventory and surplus inventory disposal sales.

The Committee continues to be impressed with the quality of the industrial fund overview, but is concerned that the treatment of industrial fund activities understates expenditures for such operation and maintenance programs as real property maintenance, and base operations. Accordingly, in 1990, the industrial fund overview should begin detailing the amount of industrial fund resources used for these activities.

COMPETITION FOR DEPOT MAINTENANCE WORKLOADS

The Committee appreciates the Department's responsiveness in pursuing interservice competitions for depot maintenance workloads. This program has the potential to more efficiently use Defense depot equipment, personnel and facilities. The responsiveness evidenced by the Office of the Assistant Secretary of Defense for Production and Logistics has directly contributed to the Committee's decision to not concur with major reductions in the Office of the Secretary of Defense proposed by the House.

DEPOT MAINTENANCE BACKLOGS

The Committee concurs with the House report language on depot maintenance and real property maintenance backlogs. Backlog estimates appear to have little validity and are not verified or developed consistently between services. For example, in 1988, the Air Force redefined its backlog and increased its estimates from \$100,000,000 to \$300,000,000. This recomputation occurred irrespective of any change in depot maintenance funding.

The Committee believes that more consistency in definition and review of depot maintenance backlogs is long overdue. The Assistant Secretary of Defense for Production and Logistics is requested to provide the House and Senate Appropriations Committees with a report by December 1, 1988, that reviews depot maintenance backlogs by service since 1970, methodologies used in computing backlogs and changes in methodologies since 1970, the accuracy of current backlog (both the

total versus financial backlog) estimates by service, and the cause of backlogs, including reprogramming funds from depot maintenance. Beginning with the 1990 budget, the Committee expects the Assistant Secretary of Defense Comptroller and Assistant Secretary of Defense for Production and Logistics to review and approve service estimates, and certify to the House and Senate Appropriations Committees they agree with backlog estimates by service.

LEGISLATIVE LIAISON ACTIVITIES/LOBBYING CONGRESS

Annual Defense appropriations prohibit the Department of Defense from using appropriated funds to lobby on legislation or appropriation matters. During the past few months, the Committee has become aware of several examples in which this law was compromised. The Committee is in possession of one letter from a service to retirees and dependents urging them to write their representatives in opposition to budget reductions. The Committee is in possession of another letter from a service to a Senator requesting that he adopt a specific contractor's bill language.

The Committee requests that the Secretary of Defense reiterate to Departmental military and civilian personnel longstanding policy of what is appropriate and inappropriate in the Department's efforts to bolster support for Defense programs.

AIR NATIONAL GUARD AND AIR FORCE RESERVE FORCE STRUCTURE

The budget proposes force structure reductions affecting four Air National Guard and five Air Force Reserve units. The reductions would result in the loss of 25 aircraft, primarily in tactical fighter and tactical airlift units, along with related AGR and technician personnel, flying hours, depot maintenance and operating resources. The Air Force plan is to remove a wing equivalent from the Guard and Reserve by fiscal year 1991. The equivalent wing reduction would be accomplished by reducing 12 units from 24 to 18 aircraft. The budget also proposed to eliminate one Guard and Reserve equivalent tactical airlift squadron. The first unit proposed for reduction is the 118th Tactical Air Wing at Nashville, TN.

The Committee strongly rejects the Air Force proposal to reduce Guard and Reserve force structure. Guard and Reserve forces have proven to be cost effective, requiring less than one-half an active unit's operation and support funding. Air Guard and Reserve units are at the highest state of readiness in their history. As evidenced at annual weapons system competitions, and in the recent Libya and Grenada missions, Guard and Reserve forces are combat ready and as fully capable of performing wartime missions as the active Air Force.

The proposal to deactivate Guard and Reserve units is especially unjustified in light of Air Force pilot attrition trends, and is inconsistent with the Air Force pilot bonus proposal designed to stem pilot losses to the airlines. The Committee shares the Air Force's concern regarding pilot attrition and has included \$30,000,000 for pilot bonuses. The ex-

istence of Air Force Reserve and Guard aircraft and crews, however, is the only way to retain skilled pilots in the total Air Force who have elected to leave the active Air Force. The Government has invested \$4,000,000 to \$6,000,000 in training each of these pilots. Without flying positions available in the Guard and Reserve, this investment would be lost. Instead these pilots are retained and remain available should they be required to perform wartime missions. Further, the Air Force proposal to reduce Guard and Reserve units also would require the loss of 1,250 highly trained and dedicated drill and full-time support personnel.

The Committee believes the Air Force proposal trades short-term savings for long-term Defense capability. The Committee recommends increases in the following accounts to restore all Air Force Reserve and Guard units proposed for reduction in fiscal year 1989:

	<i>Operation & maintenance</i>	<i>Military personnel</i>
Air Force Reserve.....	+ \$5,400,000	+ \$2,664,000
Air National Guard	+ 5,600,000	+ 3,826,000

FOREIGN CURRENCY COSTS/BURDEN SHARING

The Committee has not added appropriations to cover additional foreign currency costs related to the decline of the U.S. dollar overseas. The House allowance provides \$835,298,000,000 for these costs that were not reflected in the budget. The House allowance provides \$376,000,000 for the "Foreign currency fluctuation, Defense" account, and \$459,298,000 in the Navy, Marine Corps, Air Force and Defense Agencies "Operation and maintenance" accounts. The House also proposes bill language to allow military personnel appropriations to receive transfers from the "Foreign currency fluctuation, defense" account to cover overseas station allowance costs.

The Committee does not recommend increased appropriations to cover additional foreign currency costs. To do so would be to reward the Department of Defense for intentionally underbudgeting for foreign currency costs by using inaccurate exchange rates. Improved budget discipline will permit the Department to manage costs caused by dollar devaluation. Further, the Committee believes that the Department should request United States allies to fund these additional costs, since such costs are directly related to stationing troops and conducting operations in NATO nations, Japan, and South Korea.

Prior to submission of the 1989 budget, foreign currency exchange costs were funded by two methods. First, the budget was annually adjusted to request additional appropriations to cover known foreign currency adjustment costs. The "Foreign currency fluctuation, Defense," account was used only to cover currency fluctuation costs during execution of the budget. In revising the 1989 budget, however, the Department did not adjust appropriations to cover the cost of known foreign currency costs. Instead it used unrealistically favorable and outdated exchange rates to lower its appropriation requirements and produce its request within the budget summit agreement limits.

The 1989 budget was revised during January 1988. The inaccuracy of the Department's estimates were well known when the budget was amended as depicted below:

VALUE OF U.S. DOLLAR IN SELECTED CURRENCIES

	DOD budget rates	January 1988 rates	Shortfall/ variance (percent)
Japanese yen.....	163.1	130.8	20
Korean won.....	870.0	780.2	10
German mark.....	2.06	1.68	18
United Kingdom pound.....	0.7	0.56	20

Since fiscal year 1986, the annual program subject to currency exchange costs of Department of Defense personnel and operations stationed overseas have increased from \$3,084,781,000 to \$6,775,187,000. The cumulative increased cost of operation and maintenance and station allowances overseas due to currency devaluation has exceeded \$10,000,000,000 since 1985. The Committee believes that, at a minimum, the Department should secure these additional costs from allied countries, rather than from U.S. taxpayers. While the Department has sought increased contributions for specific facility and support initiatives, the total cost of stationing troops in foreign nations has risen far in excess of such contributions.

On September 30, 1987, the Department of Defense permanently stationed over 1,050,000 personnel ashore in foreign nations: military personnel (455,954), civilian personnel (182,011), and dependents (413,020). The 1988 Balance of Payments Report transmitted by the Secretary of Defense on April 25, 1988, estimates the 1987 cost to station U.S. troops overseas at \$34,580,000,000. Of these funds, \$13,188,900,000 were lost to the U.S. economy and accounted for 8 percent of the U.S. balance of payments deficit in 1987.

Given the disparity in Defense burden shouldered by U.S. taxpayers, vis-a-vis citizens in allied nations, additional costs of stationing troops in foreign nations caused by devaluation of the dollar should be borne by allied nations or be absorbed within appropriations provided for U.S. forces overseas. The Committee has included bill language (sec. 8113) to require that U.S. taxpayers or Defense forces stationed in the United States do not end up carrying the burden for these increased overseas costs. The \$3,690,000,000 caused by currency devaluation since 1986 would be an excellent initial goal for the Department's burdensharing efforts. The Committee believes that to appropriate funds for currency devaluation as proposed by the House would simply take pressure off the Department to secure meaningful burdensharing from NATO, Japan, and South Korea.

FOREIGN NATIONAL PAY RAISES

The Committee recommends a reduction of \$58,197,000 for pay raises for foreign national employees employed by the Defense Department.

In testimony before the Committee, Department of Defense witnesses noted that foreign national employees are provided pay raises at rates far in excess of that provided to U.S. citizens employed by the Department of Defense. For example, in South Korea, United States citizens were provided a 2-percent pay raise in 1988 and have been budgeted for a 2-percent pay raise in 1989. However, in 1988 Korean foreign nationals employed by the Defense Department were provided a 7.6-percent pay raise, and in 1989 a 10- to 15-percent pay raise is forecasted.

The U.S. taxpayers should not be expected to increase pay for foreign national employees at rates in excess of that provided U.S. citizens. It makes little sense for the Congress to hold down U.S. civil servant pay raises because of deficit pressures, yet endorse higher, unrestrained pay raises for foreign nationals. The Committee will not approve appropriations for such payments, and has included bill language limiting pay raises for foreign nationals employed by the Department of Defense to the same level provided U.S. citizens employed by the Department. The Department of Defense should seek higher burdensharing payments from allied governments to finance any pay raise in excess of these rates.

OVERSEAS WORK-YEAR CEILING

The Committee recommends retention of an overseas work-year ceiling limitation for Department of Defense civilians. The House proposed deleting this provision.

The Committee continues to be concerned with the number of U.S. civilians and dependents overseas. Last year the Committee questioned the accuracy of the Department's certification, but accepted the estimate of work-years submitted by the Assistant Secretary of Defense for Force Management and Personnel. The 1988 conference report requested the General Accounting Office [GAO] to audit the Department's estimates.

The GAO has informed the Committee that the Department's certification was knowingly inaccurate and overstated. The Committee has accordingly set the limitation for fiscal year 1989 at 182,011 work-years, the number of work-years actually consumed in fiscal year 1987.

JAPANESE DEFENSE CONTRIBUTIONS/LABOR COSTS

The Committee recommends a reduction of \$109,200,000 in recognition of Japanese contributions to offset the cost of stationing and maintaining United States forces in Japan.

The Committee continues to be concerned at the high cost of maintaining United States forces in Japan, and, the low Defense contributions by Japan. According to the Secretary of Defense "Report on Allied Contributions to the Common Defense," the United States

spends 6.8 percent of its gross domestic product on Defense while Japan spends 1 percent. The United States spends \$1,164 per citizen for Defense, while Japan spends \$163. According to the most recent Department of Defense Atlas/Data Abstract, prior to the recent devaluation of the United States dollar relative to the yen, the United States spent \$2,342,079,000 to maintain United States forces in Japan in 1987.

The General Accounting Office has informed the Committee that the Department of Defense fiscal year 1989 budget fails to account for almost \$55,000,000 in labor contributions the Japanese Government has agreed to pay the Department of Defense in fiscal year 1989. Further, the Committee received testimony from Department of Defense witnesses that the Japanese Government is expected to contribute another \$100,000,000 in labor costs by fiscal year 1990.

The Committee is pleased that the Department of Defense is receiving increased labor payments from the Japanese Government. It has recommended a reduction of \$109,200,000 to ensure Japanese rather than United States taxpayers are financing these costs.

EAST-WEST FINANCE

The Department is urged to take a leading role in resolving East-West financial issues, such as untied, general purpose lending to the Soviet bloc by Western banks, and should urge the administration to complete the alliance consultations called for in the Senate-passed military construction bill for fiscal year 1989. The Committee also expects the Department to work with the Departments of Treasury and State to submit a report on such consultations to the Committee on Appropriations by September 30, 1988.

The report should identify the public and private sector financial practices and policies of NATO countries and Japan which may contribute to the military capabilities of Warsaw Pact countries, Soviet foreign assistance programs, and the ability of Cuba, Nicaragua, Vietnam, and Libya to promote and/or sustain regional conflicts.

The report should also discuss whether the flow of new credits to the Soviet bloc is warranted in view of the lack of progress, to date, in the negotiations of the Conference on Security and Cooperation in Europe. Finally, the report shall specifically call for improved data collection in East-West financial relations and the phasing out of untied Western lending to Warsaw Pact countries, Cuba, Nicaragua, Vietnam, and Libya.

INSPECTOR GENERAL HEADQUARTERS STUDY

The Committee recommends a reduction of \$11,500,000 for management support contracts based on recommendations contained in the "Review of Unified and Specified Command Headquarters" analysis prepared by the study team chaired by the Department of Defense Deputy Inspector General.

The Committee is impressed with the analysis of unified and specified commands prepared at the request of the Secretary of Defense. The Committee has not reduced the funding for the 7,309 positions

identified for elimination in the report, and it has not assumed that all recommendations will be adopted. The Committee intends to hold hearings on the staffing and missions of the unified and specified commands next year.

The Committee finds interesting the inspector general's finding that command headquarters strength is actually 59,510, not 33,132 end strength as reported by the Department. The Committee also appreciates that the study team reviewed previous departmental analysis of European command requirements that were requested by the Committee. The study team found these analyses to be both inaccurate and misleading. The Committee fully agrees.

While the command structure study was conducted for the Secretary of Defense, there is currently no requirement for the Secretary to respond to or implement recommendations. The Committee believes such a requirement is needed and has included bill language that requires the Secretary to evaluate the inspector general report and determine which recommendations will be implemented and which will not (and reasons for rejecting specific recommendations). The Secretary is required to submit this evaluation to the House and Senate Appropriations Committees by December 1, 1988, and to integrate recommendations into the fiscal year 1990-95 5-year defense program.

DEFENSE REORGANIZATION ACT SAVINGS

The Committee recommends a reduction of \$137,346,000 for annualizing 1988 savings from the Goldwater-Nichols Reorganization Act (Public Law 99-433).

The 1986 Defense Reorganization Act (Goldwater-Nichols) requires the Secretary of Defense to reduce the number of military and civilian employees in the Defense Agencies and Department of Defense field activities by at least 5 percent of the number assigned or detailed to such duty on September 30, 1986. The Secretary complied with the Act and notified Congress of his decision on March 2, 1988. There were 4,921 military and civilian positions reduced, with the reduction of 800 positions allocated to the Services in lieu of reducing Department of Defense dependent schools.

The 1989 budget submission does not reflect implementation of 1988 Goldwater-Nichols Act reductions. It assumes that a full year of funding will be added back for every position reduced in 1988. Further, it does not take account of the further reductions that are required under the Goldwater-Nichols Act in 1989.

The Committee has not assumed further new reductions in 1989. It expects that the House and Senate Armed Services Committees will examine the impact of reductions required under Goldwater-Nichols. The Committee has, however, reduced the funding associated with the Secretary's implementation of 1988 reductions. In accordance with the Secretary's decision, Department of Defense dependent schools are exempted, and reductions allocated to the services.

FUEL SAVINGS

The Committee recommends a reduction of \$90,600,000 for overestimated fuel procurement. Each year the Department of Defense overestimates procurement of fuel by the Defense Stock Fund. In 1987, fuel procurement fell 12 million barrels below the level forecasted in the budget. In 1988, fuel procurement will fall 3 million barrels below the 188 million barrels forecasted in the budget. In recognition of annual overestimates, the recommendation reduces the funding associated with 3 million barrels in 1989, and allocates the reduction consistent with Defense Fuel Support Center sales.

The Committee is also aware that the Defense Stock Fund has sold fuel to customers at a composite per barrel price of \$26.46, but, the cost will average \$1 less per barrel. Thus, at the end of fiscal year 1988, the Defense Stock Fund will have a surplus cash balance of approximately \$180,000,000, due to profits from fuel.

In previous appropriation acts the Congress has refunded these cash balances and reduced appropriations. The Committee recommends, however, that these cash balances be refunded to the Guard and Reserve operation and maintenance accounts and that no reduction be made in appropriation requests. The Guard and Reserve operation and maintenance accounts were severely underfunded in the President's budget. Sec. 8102 refunds \$180,000,000 to Army and Air Force Reserve, and the Army and Air National Guard. These funds should be used to maintain adequate ground operating tempo and flying hours, depot maintenance, training, and technician pay. Of these cash refunds, \$50,000,000 is made available to the Air National Guard and \$17,400,000 is made available to the Air Force Reserve for modifications on KC-135 tankers. The Department is requested to annualize these cash refunds in the 1990 Guard and Reserve budget requests, as though they were appropriations.

ASSET CAPITALIZATION PROGRAM

The Committee recommends a reduction of \$130,000,000 for the Asset Capitalization Program [ACP], consistent with authorization. This program funds industrial activity and equipment through depreciation and surcharges included in the rates. The Committee understands that the General Accounting Office is reviewing Army, Navy, and Air Force ACP projects to ascertain if savings that are claimed truly occur. An initial GAO review of Navy aviation depot ACP indicated that 21 of 52 ACP projects installed between fiscal year 1985 and fiscal year 1987 had achieved fewer benefits than expected or no benefits at all.

EFFICIENCY REVIEWS/CONTRACTING OUT

The Committee recommends a reduction of \$158,928,000 for savings forecasted from efficiency reviews conducted under OMB Circular A-76.

The Committee continues to question whether the A-76 review pro-

gram produces long-term savings. According to the President's report "Management of the United States Government Fiscal Year 1989," the Department of Defense will study 31,080 positions in 1989, in addition to 25,000 positions studied in 1988. Using the Office of Management and Budget/Office of Federal Procurement Policy methodology, savings of \$158,928,000 are forecasted in 1989. To the extent that these savings are claimed by the administration, they should be used for deficit reduction.

CONTRACTOR SUPPORT SERVICES

The Committee recommends a reduction of \$30,547,000 for non-weapon system studies, analyses and evaluation, information and contractor support. The Department of Defense is currently reducing spending in 1988 for these same lower priority, discretionary expenditures.

CIVILIAN PERSONNEL MANAGEMENT

The House recommends that the civilian personnel work force not be managed on the basis of end strength, work-year, or payroll controls, and has proposed bill language (section 8039) to prohibit such management. The Committee does not concur with the House position. The Department of Defense employs approximately one-half the civilians in the Federal Government and civilian pay constitutes 38 percent of operation and maintenance appropriations. The number and cost of work-years consumed simply cannot be divorced from the budget.

It should be recognized that furloughs proposed in 1988 resulted, in part, from delinking personnel work-years from funding in the budget. By not managing its work-years in line with its budget, the Air Force Logistics Command 1988 budget request supported less than 80,000 of the 86,000 personnel on board. Hence, when budget reductions occurred and other must-pay bills materialized, the mismatch between work-years and funding was exacerbated.

The Committee, in disagreement with the House, continues to strongly support the Department's efforts to manage to payroll. The Committee agrees with the House that some Navy shipyards have improperly implemented the program. However, this is not a good reason to generalize and reject sound management of personnel costs.

The Department of Defense is making strides in bringing its civilian work force in line with projections. The Committee believes this is a result of the added attention civilian personnel management has been provided during the past few years, and the use of manage to payroll systems.

AUTOMATIC DATA PROCESSING [ADP]

The Committee has accepted \$59,600,000 of the ADP adjustments recommended by the House. The Committee has not accepted reductions made for the Army's military pay redesign project, the Navy BASIS system, and Defense Logistics Agency ADP programs. The Committee does not agree with the \$100,000,000 reduction proposed by

the House for underutilization of Navy Regional Data Automation Centers [NRDAC's]. The Committee agrees with the intent of the House adjustment and believes duplication of data automation centers should be avoided at Navy and Navy Reserve activities.

The House adjustment is well intended, and seeks to stop the creation of unnecessary and duplicative data processing centers. The House reduction, however, is unrealistically severe. It is unreasonable to expect more than a 25-percent (\$64,000,000) workload increase in the NRDAC's in 1989, given the lead-time required to realign Navy ADP resources. The entire NRDAC program in fiscal year 1988 totals \$249,000,000 and employs 2,822 civilians. Even under the most aggressive consolidation program, the NRDAC's could not absorb an increased workload of \$100,000,000.

The Committee also agrees with the House that the Navy is long overdue in bringing their financial accounting systems in compliance with GAO standards. The implementation of a standard system throughout the Navy industrial fund community will greatly improve the Navy's financial management and reporting capability.

MORALE, WELFARE, AND RECREATION [MWR]

The Committee has reduced MWR appropriated fund support by \$28,000,000 which is consistent with authorization and the House allowance. The budget justifications provide much better detail on MWR appropriated fund support, with the notable exception of the Navy. The Department of Defense Comptroller is requested to ensure consistency between the service justification books for MWR programs.

The Committee has retained bill language, first adopted in fiscal year 1988, that establishes a ceiling on appropriated fund support for MWR activities.

HELICOPTER SECURITY SURVEILLANCE APPLICATIONS

The components of the Department of Defense are encouraged to explore and utilize civilian contractor capabilities to perform security surveillance on a contract basis. Of particular interest is the applicability of helicopter platforms fitted with Intruder detection devices for aerial detection utilizing infrared and low-light level television.

The Committee requests an assessment of opportunities for expanded use of civilian helicopters for these security missions and provide a report to the Committee at the time of the fiscal year 1990 budget submission.

OVERSEAS EDUCATION

The Committee believes that the Department of Defense overseas postsecondary educational program provides an important benefit to U.S. servicemen and servicewomen, civilian employees and their dependents and is concerned that contract awards for educational services in the Pacific and Asia have not gone forward on time. The Committee, therefore, urges the Secretary of Defense to proceed with educational

services contracts in a timely way to prevent any disruption or delay in educational services overseas.

CLASSIFIED PROGRAMS

The Committee recommends a reduction of \$30,600,000 in classified programs, which is \$67,800,000 above the House allowance. These reductions are explained in a classified annex to this report.

COMPLIANCE WITH AUTHORIZATION

The Committee recommendations for operation and maintenance, and revolving and management fund appropriations are in compliance with authorization. Further, specific authorization reductions totaling \$124,100,000 have been integrated into the recommendation whenever practicable, and are listed in the service-specific section of this report.

HEALTH AND MEDICAL PROGRAMS

Army and Navy medical programs.—The Committee is recommending an increase of \$141,000,000 for the Army and \$72,500,000 for the Navy in their medical programs in agreement with the House. These additional funds should allow the two services to continue medical services at a rate no lower than fiscal year 1988. The Committee does not agree with the House's addition of \$15,000,000 for Navy medical personnel.

Nurse anesthetists pay bonus.—The Committee was pleased that the Senate Armed Services Committee has directed the Department to submit a report on the adequacy of the existing compensation structure of special pay for health professionals and further has noted that the selected reserve nursing corps is significantly below strength. The Committee looks forward to the Department's legislative recommendations. However, given the critical nature of nurse anesthetists to the Department, the Committee has included \$2,000,000 to be used to provide 1-year pay bonuses of approximately \$3,000 per nurse. This bonus is comparable to that recently authorized for VA nurse anesthetists. As of fiscal year 1987, there were 613 nurse anesthetists and 402 anesthesiologists in the services. Individual physicians, depending upon length of service and board certification, may be eligible for annual pay bonuses of \$46,000. The Committee feels that the proposed \$3,000 bonus for these active duty professional nurses is only reasonable. This provision is subject to authorization by the Armed Services Committees.

Children's hospitals—DRG's.—Last year, the Committee determined that, with regard to the CHAMPUS DRG's, the Department of Defense should exclude certain categories from coverage that specifically affect children. The Committee is aware that the Department is in the process of addressing the concerns which led to the Committee's actions last year and urges the Department to continue expeditiously. The Committee has included bill language similar to last year's provision, which, however, would allow the Department to begin utilizing DRG's upon certifying to both the House and Senate Appropriations Committees that the payment mechanism will reflect the uniqueness of these categories of care.

The Committee is particularly concerned about services rendered in children's hospitals where it appears that the average charge is significantly higher than for the same services in other types of facilities. The Committee is also aware that birthweight is an important indicator of resource use for neonatal care and must be utilized as part of the refinements pertaining to the classification of neonatal care into DRG's. The Committee further recommends that, until these DRG's are implemented, the Department shall continue to ensure that no individual family is required to pay more for care being provided than they would if the DRG methodology had been used.

Medicare economic index.—The Committee has included a provision to limit the payment under CHAMPUS to increases justified by economic changes, through adoption of the Medicare economic index. Presently, CHAMPUS generally pays the full billed charges with the maximum allowable rates being set at the 80th percentile of all billed charges during the prior year. In contrast, since 1975 Medicare has limited growth in payments to only those increases justified by economic changes. During the period from 1984 to 1987, CHAMPUS costs per professional visit increased by 31 percent, while the MEI increased by only 7.5 percent. This modification in the payment mechanism was recommended by the GAO and is expected to result in a savings of \$25 million during this fiscal year. The Committee further directs DOD to monitor all impacts of this change carefully and, in particular, whether any increase in beneficiary costs occur.

DRG payment for care provided to active duty personnel.—It has recently come to the Committee's attention that the Department is presently paying on a cost-plus basis for health care services rendered to active duty members by the private sector under the supplemental care program. The Committee has included bill language which will link these reimbursement rates to payment rates under the CHAMPUS DRG reimbursement system. CHAMPUS DRG's have proven to be a fair and cost-effective method for the Department to purchase hospital services. However, that methodology does not currently apply to hospital services which the Department must purchase for its active duty members from civilian institutions. This provision allows the Department to be a more prudent buyer of health care services through the supplemental care program.

Child abuse/family advocacy.—The Committee has included the budget request for the Family Advocacy Program. This initiative is very important to the Committee, and it wishes to continue to receive periodic reports on its activities from the Department.

Nonphysician health care providers.—The Committee remains very supportive of efforts being made by the Department to ensure that the clinical and administrative expertise of nonphysician health care providers are appropriately utilized. Presently, each of the services have, at the Committee's request, established administratively separate from psychiatry, departments and/or services of psychology at a major treatment facility. The Committee understands that these are working well

and have been good for psychology morale. The Committee requests that DOD expand upon this evolution and establish appropriately staffed and administratively separate psychology departments/services at those treatment facilities in which there are psychology training programs. The Committee would further be supportive of the Navy's taking the lead in establishing a year-long postdoctoral training program in clinical psychology, as well as other innovative training approaches which would enhance the Department's military readiness. The Committee agrees with the recommendations of the Senate Armed Services Committee that psychologists be utilized in each of the services on various competency boards, pursuant to Executive Order 12586. Similarly, the Committee urges each of the three services to establish a separate service of optometry, following up on the separate service established by the Army last year. The Committee was especially pleased to learn recently that the Army is in the midst of a comprehensive evaluation of the effects of structural reorganization of clinics, services, and departments, and wishes to be kept informed of its findings.

Nurses.—The Committee continues to be very concerned about the manner in which the Department utilizes the services of professional nurses. The General Accounting Office is presently developing a comprehensive report on this matter, and the Committee intends to pursue GAO's recommendations when available. However, it remains the Committee's intent that it shall be the leadership of military nursing that ultimately determines the appropriate scope of nursing practice.

Nonphysician administrators.—The Committee remains concerned about the number of physician administrators and wishes to be assured that the most capable managers available, regardless of clinical discipline, are assigned administrative responsibilities. The Committee urges the three services to establish a program whereby individuals interested in pursuing health care administrative careers will be encouraged, for example, to attend a school of public health or health administration.

AIDS.—The Committee continues to support the current Department of Defense policy on AIDS. The Committee urges the Department to continue to base its AIDS policy and programs on medical rationale. Further, the Committee requests the Department to continue its emphasis on information and education complemented by informed, voluntary testing for nonactive duty military personnel.

Physicians' incentive special pay.—The Committee is pleased that the Assistant Secretary for Health Affairs has followed its direction to ensure that incentive special pay is being utilized primarily to help resolve shortfalls in the specialties most needed to meet the Department's wartime medical mission. While the Committee recognizes that the Services have shortages in other medical specialties required to provide peacetime medical care to eligible beneficiaries, it believes that incentive special pay should be focused principally on those specialties with the largest wartime shortfalls. The Committee is also pleased to see that the Assistant Secretary has ensured that a consistent Incentive Special Pay policy has been applied across the Services.

Peer review.—The Committee remains supportive of the Department's efforts to ensure that health services being provided to its beneficiaries in civilian medical institutions are subject to peer review and, further, of the Department's plans to utilize the functioning Medicare peer review organizations [PRO's] in conjunction with the Department of Health and Human Services.

CHAMPUS funds flexibility.—The Committee believes that, in addition to allowing the use of CHAMPUS earmarked funds for CHAMPUS claims (both for benefits and claims processing costs), CHAMPUS Reform Initiative contract costs and approved CHAMPUS demonstrations, up to 25 percent (rather than the House's proposed 10 percent) of these funds may be used for new contracts (including personal services contracts) to increase health care services in military treatment facilities when such a use would directly produce verifiable net CHAMPUS savings under a plan approved for the year by the Assistant Secretary for Health.

CHAMPUS enrollment.—The Committee continues to feel that one of the reasons the Department is experiencing difficulty in controlling CHAMPUS health care costs is the lack of predictability as to beneficiary utilization demands. However, the Committee recognizes that, along with its currently functioning Defense Enrollment Eligibility Reporting System [DEERS], the Department has incorporated enrollment features into two of its primary demonstration projects, the CHAMPUS reform initiative and the catchment area management projects, in order to better predict beneficiary utilization. The Committee would appreciate a report during this fiscal year from DOD on the feasibility of expanding these features nationwide.

Uniformed services treatment facilities.—The Committee was pleased with DOD's and the USTF's efforts this year to significantly limit the expenditures on USTF's. Independent studies conducted for the Department and by GAO conclude that these facilities are generally more cost effective than CHAMPUS. Consistent with the 2-year extension provided in the Fiscal Year 1989 National Defense Authorization Act, the Department should closely cooperate with the USTF facilities over the next 2 years to find a permanent and workable relationship. Martin's Point, ME, USTF, a free-standing outpatient clinic, should provide the full package of outpatient services available under the standard option FEHBP qualified plan to the USTF eligible population.

Catchment area demonstration projects.—The Committee feels that the Department's catchment area management demonstration projects, under which each service shall test out the concept of providing the medical treatment facility commander with all of the health resources in a catchment area and the responsibility for providing all necessary health care, are vital to the Department's efforts to curtail the ever-escalating cost of health care. Accordingly, the Committee strongly urges the Department to proceed expeditiously and to keep the Committee informed of its progress. It is the Committee's clear understanding that these base commanders will have the authority to commingle

CHAMPUS and other health resources in order to ensure that they possess the necessary resources to fulfill their comprehensive health care responsibilities.

CHAMPUS Mental Health Program.—The Committee continues to be concerned about the escalating cost of the CHAMPUS mental health benefit, particularly the present emphasis on inpatient care. From fiscal year 1984 to fiscal year 1987 CHAMPUS costs grew by over 70 percent with no appreciable increase in beneficiary population or program enhancement. The Committee would be supportive of the Department's utilizing its demonstration authority and its current fiscal intermediary network to establish a managed care approach to the delivery of mental health services if this appears to be cost effective.

The Committee concurs with the House Committee on Appropriations that reform of the CHAMPUS payment system for mental health hospital care is appropriate. The Committee is concerned, however, that a national average per diem approach may not recognize differences among psychiatric hospitals in the types of programs they provide. The Committee would be supportive of hospital-specific payments as part of the reimbursement system, and, therefore, encourages DOD to include in its revised payment method some recognition of hospital-specific average charges while at the same time providing incentives to promote efficiency and constrain costs.

The Committee reiterates that specific attention should be addressed to additional fee adjustment criteria, including regional/geographical cost factors, and the needs of facilities with CHAMPUS mental health care inpatient admissions markedly higher than the national average. The Assistant Secretary of Defense (Health Affairs) should report to the Committees on Appropriations how the Department has addressed these concerns in their rulemaking.

Physicians assistants.—The Committee would be supportive of the Department's using its demonstration authority to reimburse physicians assistants under CHAMPUS in order to ascertain whether this would be cost effective. The Committee is aware that these practitioners function under the clinical supervision of physicians and would expect that the cost per service provided by these practitioners would be less than that provided by physicians.

VA/DOD sharing.—The Committee differs from the House position on DOD/Veterans Administration sharing agreements. The General Accounting Office recently released a report indicating that significant progress has been made in developing cost-effective sharing agreements, especially when these are developed at the local facility level and when incremental costs are used as the basis for reimbursement. DOD and the VA operate more than 300 hospitals and 600 outpatient clinics. GAO has confirmed that mutually beneficial agreements can be reached. The Committee understands that last year DOD provided approximately \$12,000,000 to the VA for medical services rendered, but that comparable figures from the VA are not available. Given the House's concern, the Committee urges both agencies to develop more

precise budgetary figures regarding sharing agreements during this fiscal year.

CHAMPUS reform.—The Committee is pleased with the progress to date in implementing the CHAMPUS reform initiative [CRI]. The Committee further agrees with the House position that the contractor for California and Hawaii must be an active participant in determining whether additional contractual arrangements should be entered into for that region of the country. The Committee is concerned, however, that the House position is too restrictive and urges that the contractor be consulted by the Department, rather than given absolute control (that is, a veto). Similarly, the Committee wishes to ensure that the contracts under consideration would only be those reasonably related to CRI. Finally, the Committee has deleted bill language proposed by the House which would prevent DOD from issuing any letters of intent for the implementation of phase II of CRI until December 1, 1989. The Committee agrees with the House intent, but does not feel it is necessary to absolutely bar such agreements at this time.

Drug and Alcohol Abuse Program.—In fiscal year 1988, because of a shortage of staffing in the Army's Alcohol and Drug Abuse Prevention and Control Program, the Army initiated an effort to contract for additional counselors through the direct health care provider contracting program. Funding constraints prevented the contract's being let.

The Committee wishes to commend the Army on its excellent success rate in identifying and treating individuals for alcohol and drug abuse and supports its desire to enhance existing programs. In the fiscal year 1989 budget, the Committee has, in agreement with the House, recommended additional funds for Army medical programs and strongly urges the Army again to conclude an effort to provide additional counselors through contracting. Such a contract, estimated to cost \$7,000,000 to \$8,000,000 per year for a total cost of approximately \$35,000,000 over the life of the contract, could be a cost-effective way in which to provide additional services in this vital area.

Philadelphia Naval Hospital.—Following the Navy's 1987 announcement of its decision to close the Philadelphia Naval Hospital without adequately providing for alternative health care for its 120,000 active duty and other beneficiaries, the Appropriations Committee last year urged the Navy to keep the facility open until an alternative system was in place. The Navy agreed to continue the hospital's operations and to study further how best to provide future health care for military personnel and others who receive services through this facility in the Philadelphia region.

The Committee is concerned about the reported delay in completing the study to determine whether the present facility should be replaced, renovated, or succeeded by another alternative, such as utilization of private sector resources proposed by the Navy in 1987. The Committee expects the Navy to complete the study and report its findings to the Committees on Appropriations and Armed Services of the Senate and the House of Representatives as soon as possible. In addition, the

Committee continues to urge the Navy to maintain at least the same level of staffing and services at the Philadelphia Naval Hospital that existed in March 1987 and to sustain a safe and healthful environment, until such time when replacement, full renovation, or the succession of an alternative delivery system has occurred.

ENERGY ISSUES

Administrative costs of CONUS coal conversions.—Beginning in fiscal year 1986 and continuing through the fiscal year 1988 Defense appropriations bill, \$25,000,000 was "fenced" in the Army industrial fund to provide funding for the administrative costs of identifying heating facilities at military installations in the United States which could, on a life-cycle, cost-effective basis, be converted to the use of American coal. Despite the Congress' direction that these funds should be available only for this purpose, the Department of the Army has diverted to other uses all but the approximately \$2,000,000 already expended. The Committee is dismayed that the Army has chosen to ignore the clear direction provided for 3 years that this \$25,000,000 was intended for one purpose and one purpose only. In an effort to provide the Department of Defense with the resources it needs to continue its program of increasing coal use in military facilities in the United States, the Committee is recommending bill language requiring that \$20,000,000 of the funds appropriated to the Army stock fund in fiscal year 1989 be used solely for this purpose. Since Army stock fund moneys are available until expended, the Committee expects that \$20,000,000 will remain available until at least September 30, 1994, so that the Department may complete its task of identifying new sources for the use of coal by the military in the United States.

Heating system conversions in Kaiserslautern, West Germany.—Some of the few remaining installations in Germany not yet approved for the conversions needed to update heating systems are in the Kaiserslautern military community, which includes Kaiserslautern East, Kaiserslautern West, Ramstein, and Landstuhl. The Committee believes that the Department of Defense should concentrate on modernizing heating systems in that area, especially if it is determined that U.S. fuels could be used. In conjunction with the study mandated in section 8082, the Committee urges that the problems around Kaiserslautern be addressed specifically and that the results be presented as part of the report due under that section.

Fiscal year 1988 mandated purchase of 300,000 short tons of anthracite coal.—The Committee understands that the Department of Defense has not yet completed contracting for the purchase of anthracite coal mandated in the fiscal year 1988 Defense Appropriations Act. The Committee urges and expects the Department to proceed expeditiously to complete contracts so that funds may be obligated prior to September 30, 1988.

OPERATION AND MAINTENANCE, ARMY

1988 appropriation	\$20,853,205,000
1989 budget estimate	22,085,200,000
House allowance	22,094,277,000
Committee recommendation	22,015,900,000

The Committee recommends an appropriation of \$22,015,900,000. This is \$69,300,000 below the budget estimate and \$78,377,000 below the House allowance.

This appropriation provides for the activities of the active Army, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	22,085,200	22,085,200	
Real property maintenance	- 70,786		70,786
Base operations	- 8,021	- 10,000	- 1,979
Central supply	120,000		- 120,000
Industrial preparedness	5,865	8,465	2,600
Indus. fund carryover	- 40,000		40,000
Training/advertising	- 24,317		24,317
Medical programs	141,000	141,000	
CHAMPUS		- 12,800	- 12,800
Administration	- 53,072		53,072
MWR	- 6,000	- 6,000	
Classified programs	- 10,292	- 30,000	- 19,708
ADP systems	- 24,300	- 12,300	12,000
Flying hours	- 26,000		26,000
Drug interdiction	2,000		- 2,000
ADEA	2,000		- 2,000
LTACFIRE	1,000		- 1,000
Fuel procurement		- 5,600	- 5,600
Goldwater-Nichols distribution		- 14,902	- 14,902
ACP		- 25,000	- 25,000
Efficiency reviews		- 56,784	- 56,784
Japanese defense contributions		- 33,000	- 33,000
Command structure study		- 3,700	- 3,700
Contractor support services		- 4,478	- 4,478
Foreign national pay raises		- 34,401	- 34,401
Command, control, communication		- 5,000	- 5,000
Claims		- 10,000	- 10,000
OPTEMPTO/Inter. maintenance		50,000	50,000
DSCAS		1,200	1,200
Equipment delivery schedules		- 6,000	- 6,000
Total	22,094,277	22,015,900	- 78,377

COMMITTEE ADJUSTMENTS

Flying hours.—The Committee has not accepted the flying hour reduction of \$26,000,000 proposed by the House. The Committee agrees that the Army seems to be annually unable to execute its budgeted flying hour program, and that it used conservative estimates in pricing flying hour savings from retirement of OH-58A and UH-1 helicopters.

The Committee recommends that Army flying hour funding be used only for active, Guard and Reserve flying hours, and not be permitted to be used for other programs.

Force modernization/equipment fielding.—The Committee recommends a reduction of \$6,000,000 based on General Accounting Office review of the Army's equipment fielding plans. Since preparation of the Army budget, deliveries of the CH-47D and SINCGARS systems have slipped and funding requirements are reduced.

Defense standard ammunition computer system [DSACS].—The Committee recommends an increase of \$1,200,000 for the Army DSAC system to support the Army Armament, Munitions, and Chemical Command in its role as single manager for conventional munitions. This funding will help maintain the system's current acquisition and implementation schedule.

Industrial preparedness.—The Committee recommends an increase of \$8,465,000 for maintenance of two inactive Army ammunition plants. A total of \$5,865,000 is for maintenance of the Joliet Army Ammunition Plant, and \$2,600,000 is for maintenance at the Badger Army Ammunition Plant in Wisconsin.

Operating tempo funding.—The recommendation increases Army ground training operating tempo [OPTEMPO] by \$50,000,000. These funds are provided for training, such as rotations to the National Training Center, and intermediate level maintenance.

For several years, the Congress has fully funded operating tempo, only to watch the Army reprogram funds for low priority support programs such as base operations. The Army later maintains that the Congress has reduced operating tempo, when no such reductions have been proposed or enacted.

The Committee recommendation more than fully funds Army operating tempo and expects the Army to execute its program at least at the 850 tank miles per year level. The Committee recommends that during fiscal year 1989 some of these funds be used to test rotating company sized U.S. Army Europe units to the National Training Center, Fort Irwin.

Extended cold weather clothing system.—The Committee is concerned that the Army maintain a viable level of procurement for extended cold weather clothing system [ECWCS]. The Secretary of Defense recently recommended that the Army maintain a level of ECWCS procurement, sufficient to ensure industry viability. The Committee expects that the Defense Stock Fund will acquire another \$90,000,000 in ECWCS stocks, and that Army operation and maintenance procurements of ECWCS from the Defense Logistics Agency shall not be less than \$50,000,000 in 1989.

Other authorization reductions.—The Committee recommends the following additional reductions, totaling \$25,000,000, based on authorization action: command, control, and communications (\$5,000,000); base operations (\$10,000,000); and, claims (\$10,000,000).

OPERATION AND MAINTENANCE, NAVY

1988 appropriations.....	\$23,601,462,000
1989 budget estimate.....	24,945,800,000
House allowance.....	24,992,800,000
Committee recommendation.....	24,853,901,000

The Committee recommends an appropriation of \$24,853,901,000. This is \$91,899,000 below the budget request and \$138,899,000 below the House allowance.

This appropriation provides for the activities of the active Navy, including the pay of civilian personnel, operation and maintenance of aircraft, vessels, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request.....	24,945,800	24,945,800	
U.S.S. <i>Pennsylvania</i>	- 500	- 500	
Ship delivery delays.....	- 10,500	- 10,500	
Fleet air training hours.....	- 38,700		38,700
Fleet satellite communications.....	- 2,400		2,400
Electronic warfare support.....	2,800		- 2,800
Emergent ship repair.....	- 17,547	- 17,547	
Medical programs.....	87,500	72,500	- 15,000
CHAMPUS.....		- 16,300	- 16,300
Intelligence and communications.....	- 2,441	- 5,000	- 2,559
MWR.....	- 7,000	- 7,000	
Classified programs.....		- 300	- 300
ADP systems.....	- 141,800	- 38,800	103,000
NAVAIR engineering centers.....	- 123,600	- 73,500	50,100
Plant and shipyard subsidy.....	- 105,943		105,943
ACP.....	- 53,200	- 80,000	- 26,800
Gulfport naval home.....	- 9,000		9,000
Drug interdiction.....	120,000		- 120,000
Foreign currency.....	152,831		- 152,831
Repair of U.S.S. <i>Samuel Roberts</i>	96,500	96,500	
Fuel procurement.....		- 31,000	- 31,000
Goldwater-Nichols distribution.....		- 2,759	- 2,759
Efficiency reviews.....		- 58,128	- 58,128
Japanese defense contributions.....		- 15,200	- 15,200
Command structure study.....		- 4,100	- 4,100
Contractor support services.....		- 2,465	- 2,465
Navy audit.....		- 2,000	
Inventory management.....		- 41,400	
Aviation DLR's.....		150,000	150,000

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Persian Gulf operations	60,000	120,000	60,000
Outfitting		- 366,400	- 366,400
Navy SEAL MRP		2,000	2,000
Ship maintenance/FMP/NTU	40,000	240,000	240,000
Total	24,992,800	24,853,901	- 138,899

COMMITTEE ADJUSTMENTS

Post-shakedown of the U.S.S. Pennsylvania.—The Committee concurs with the House recommendation to reduce \$500,000 associated with the post-shakedown availability of SSBN 735, the U.S.S. *Pennsylvania*.

Emergent ship repairs.—The Committee concurs with the House recommendation to reduce \$17,547,000 associated with emergent ship repairs for 26 ships that will be in 6-month to 1-year overhauls during fiscal year 1989. Ships so recently overhauled should not require emergent repairs.

Navy aviation center industrial funding (NAVAIR field operations).—The Committee does not concur with the House reduction of \$123,600,000 for the Naval Air Engineering Center and the Naval Avionics Center.

The 1989 budget proposes discontinuing industrial funding of two Naval aviation centers, and realigned funding from several Navy appropriation accounts into the "Navy operation and maintenance" account. The Navy believes (and the Committee understands that the General Accounting Office concurs) that these centers are industrial activities and should be funded through payments into a revolving fund. Both the House and Senate authorization bills prohibit conversion from industrial funding, and the Committee has included similar bill language at section 8096.

Returning the Air Engineering and Avionics Centers to industrial funding does not mean that all appropriations can be eliminated as proposed by the House. The funding in "Operation and maintenance" required is only \$61,600,000, and a reduction from the budget of \$73,500,000 is appropriate. However, with the return to industrial funding, the "Aircraft Procurement, Navy," and "Research, Development, Test and Evaluation, Navy," appropriation accounts are required to again support these centers. The Committee recommendation appropriately realigns funding to these other accounts to ensure these centers continue operation.

Persian Gulf operations.—The Committee recommends \$120,000,000 for supporting ongoing operations of U.S. Naval forces in the Persian Gulf. The budget requested no funding to continue Persian Gulf operations and the House allowance includes \$60,000,000.

In January, several Committee members visited U.S. forces on station in the Persian Gulf. They conducted an indepth review of financial implications with fleet commanders and the Department of Navy

Comptroller. The findings of this visit are published in Senate Report 100-76, "U.S. Presence In the Persian Gulf, Cost and Policy Implications."

Current U.S. Navy convoy operations in the Persian Gulf are likely to continue. The Committee recommendation funds the incremental additional costs for aircraft operations, steaming hours, airlift, transportation and travel. It takes into account fuel contributions from U.S. allies in the region. The Committee is aware of the inordinately strenuous tasking that these operations have put on the Navy's Pacific Fleet, and recommend that the Comptroller of the Navy allocate this funding accordingly.

Ship delivery delays (ship operations).—The Committee concurs with the House reduction for ship delivery delays. A reduction of \$10,500,000 is appropriate because of delays in the delivery of two TAO ships, two SSN's, and four MCM vessels.

Bainbridge Naval Training Center cleanup.—Public Law 99-596 authorizes the Navy to dispose of the real property constituting the former Bainbridge Naval Training Center, MD. Prior to this conveyance, the property must be restored to a condition that meets all applicable Federal and State environmental protection regulations. The Committee is aware of concerns of State of Maryland and Cecil County officials that environmental restoration activities and transfer of this facility be completed in an expeditious manner to assure its physical security and to facilitate local development plans.

The Committee expects the Department of Defense and the Navy to review the use of all available resources, including Defense environmental restoration funds and authorities, to accomplish the environmental remediation requirements. The Committee favors adoption of the most cost-effective and efficient method for removal of hazardous materials and asbestos from the facility to protect public health and safety. Due to the serious security problems that have developed at the facility, the Navy is encouraged to complete environmental cleanup as soon as possible. The successful and safe reuse of this former base necessitates expedient action on this matter.

Ship outfitting.—The Committee recommends a decrease of \$366,400,000 for ship modernization outfitting. The Navy budgets for initial spare parts related to modernization packages in "Operation and maintenance." All other types of systems, and other service modification spares are budgeted for in procurement appropriations. Procurement of ship weapon system spares is not an appropriate use of operation and maintenance funds. This issue is further addressed in the procurement section of this report.

Aviation depot level repairables/flying hours.—The Committee recommends an increase of \$150,000,000 for aviation depot level repairable components. The Committee also has not accepted House proposed reductions in Navy flying hours, and restores funding of \$38,700,000 for fleet air training.

The 1989 Navy budget miscalculated requirements for aviation depot repairable components (for example, generators). This underfunding, if not corrected, will have a serious and adverse effect on Navy primary mission readiness [PMR] rates. The Committee recommendation redresses this shortfall, and enables the Navy to maintain 87 percent PMR for fleet aircrews.

Repair of the U.S.S. Samuel B. Roberts.—The Committee concurs with the House allowance and has included \$96,500,000 for the repair of the U.S.S. *Samuel B. Roberts* which struck an Iranian mine while on duty in the Persian Gulf. This ship is currently in route from the Persian Gulf to its homeport of Newport, RI.

E-2C modifications.—The Committee is aware of recent readiness problems experienced because of wing cracks on the E-2C Hawkeye surveillance aircraft. These aircraft are important to fleet air defense as well as drug interdiction efforts.

The Committee recognizes the urgent need to provide funding to repair E-2C outer wing panels, and, therefore, requests that the Navy provide not less than \$25,400,000 for the E-2C modification installations. Procurement funding for wing modifications is included in the aircraft procurement, Navy, section of this report.

Fleet modernization/ship maintenance.—The Committee recommends an increase of \$240,000,000 for ship maintenance and modernization to perform additional overhaul, selected restricted availabilities [SRA], and modernization packages. This is \$200,000,000 above the House allowance. The House increased the budget by \$40,000,000 for new threat upgrade packages on the west coast.

The Navy's amended 1989 operation and maintenance budget was reduced by over \$2,000,000,000, with \$516,000,000 eliminated from the Fleet Modernization Program [FMP]. The 1988 funding constraints have led to further overhaul and SRA's being slipped from 1988 into the 1989 program. The FMP reductions are especially unfortunate, since much of the equipment and weapons systems already have been procured, but the Navy now cannot afford operation and maintenance funds to install the systems.

The Committee-recommended increase of \$240,000,000 will help the Navy modernization and repair program get back on schedule, and it will avoid wasteful and costly storage of components already procured. The Committee recommends that \$155,000,000 be used to fund modernization/overhaul packages on the east coast. Specifically, the Navy should fund installation of vertical launch system modernization packages on two DD-963 class ships, and fund four additional SRA's on surface combatants and support ships.

Ship maintenance and modernization schedule.—To facilitate the Committee's review of the Navy's ship maintenance and modernization program, the Committee requests the General Accounting Office to provide quarterly reports on the Navy ship maintenance, repair, and modernization schedule. These updates should use the schedule provided in the budget, amended by congressional action, as a baseline.

New threat upgrade restrictive language.—In 1988, the House proposed restrictive language intended to restrict a new threat upgrade modernization/overhaul package to Philadelphia Naval Shipyard. This language and the resulting compromise caused havoc in the Navy's workload scheduling. The House bill again proposes report language that designates which new threat upgrade ships will be repaired in specific yards.

The Committee believes that such restrictive language is undesirable and inappropriate. Whenever possible, the Navy should compete new threat upgrade packages between public and private shipyards. This has been the Committee's longstanding policy. However, in the interest of fleet readiness, the Navy should be able to determine when new threat upgrade packages should be scheduled for completion in Naval shipyards.

Naval home, Gulfport.—The Committee has not accepted a House proposed reduction of \$9,000,000 for repairs at the Navy's Veteran's Home in Gulfport, MS. The funds requested by the Navy will provide emergency repairs and maintain the building's structural integrity. The naval home is situated only 900 feet from the Gulf of Mexico, in an area that has been struck by many hurricanes. Funding will correct an extremely high risk hazard to residents at the facility.

Repair of the U.S.S. Midway.—The Committee recommends bill language to provide for repair of the aircraft carrier *Midway* in an American shipyard unless the Japanese Government proposes alternative financing arrangements.

Ship operations conducted over the past year indicate that the *Midway* encounters unacceptable stability when specific sea state conditions exist. Engineering analysis indicates that the problems are an unintended consequence of previous alterations, but can be corrected during a shipyard availability. These repairs are estimated to cost approximately \$40,000,000, and the Navy intends to perform such work in a shipyard located in Japan.

The *Midway* is forward deployed in Yokusuka, Japan. It is the only U.S. aircraft carrier homeported and supported overseas. Forward deployment of the ship is intended to demonstrate the United States' strong commitment to defend allies in the region. The ship's location provides an economic stimulus to the Yokusuka area, resulting from expenditures by the ship's 4,500 personnel, and local procurement.

Given the *Midway's* role in defending the western and northern Pacific, the cost incurred for maintenance of this presence should be shared among U.S. allies in the region. The Committee recommends bill language to promote negotiations with the Japanese Government through August 15, 1989. If after this period of over a year, no agreements are forthcoming, the Navy may elect to repair the vessel from funds appropriated in this act. However, if the ship is to be repaired with appropriations, it must be done at a shipyard in the United States. The Committee's recommendation seeks to resolve the impasse over repair of the *Midway* and achieve an equitable cost-sharing arrangement for this important overseas commitment.

SEAL team facility maintenance.—The Committee recommends an increase of \$2,000,000 for necessary repairs to SEAL training center diving facilities at the Amphibious Base, San Diego, CA.

Other authorization reductions.—The Committee recommends the following additional reductions, totaling \$48,400,000, based on authorization action: command, control, and communications (\$5,000,000); inventory management (\$41,400,000); and, Navy audit savings (\$2,000,000).

OPERATION AND MAINTENANCE, MARINE CORPS

1988 appropriation	\$1,819,188,000
1989 budget estimate	1,792,000,000
House allowance	1,842,000,000
Committee recommendation	1,774,600,000

The Committee recommends an appropriation of \$1,774,600,000. This is \$17,400,000 below the budget estimate and \$67,400,000 below the House allowance.

This appropriation provides for the activities of the active Marine Corps, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	1,792,000	1,792,000	
Foreign currency	50,000		- 50,000
Japanese defense contributions		- 17,400	- 17,400
Total	1,842,000	1,774,600	- 67,400

OPERATION AND MAINTENANCE, AIR FORCE

1988 appropriation	\$19,661,448,000
1989 budget estimate	21,950,000,000
House allowance	21,890,400,000
Committee recommendation	21,817,327,000

The Committee recommends an appropriation of \$21,817,327,000. This is \$132,673,000 below the budget estimate and \$73,073,000 below the House allowance.

This appropriation provides for the activities of the active Air Force, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	21,950,000	21,950,000	
SPACETRACK	- 900		900
Base operations	- 107,646		107,646
Training	- 10,012		10,012
Civil Air Patrol	1,700	1,700	
MWR	- 15,000	- 15,000	
Classified program	1,700		- 1,700
Other classified programs	- 85,000	6,000	91,000
CHAMPUS		- 10,800	- 10,800
ADP systems	- 30,000		30,000
SR-71 maintenance	20,491	20,491	
Flying hours	- 43,300		43,300
Foreign currency	208,367		- 208,367
ACP		- 25,000	- 25,000
Fuel procurement		- 43,000	- 43,000
Goldwater-Nichols distribution		- 9,935	- 9,935
Efficiency reviews		- 44,016	- 44,016
Foreign national pay raises		- 23,796	- 23,796
Japanese defense contributions		- 43,600	- 43,600
Contractor support services		- 10,517	- 10,517
Command structure study		- 3,700	- 3,700
Command, control, communication		- 20,000	- 20,000
Inventory management		- 27,500	- 27,500
Leather flight jackets		- 5,200	- 5,200
Administration		- 13,000	- 13,000
Transportation		- 5,000	- 5,000
Civilian pay reserve		69,000	69,000
Component depot maintenance		63,800	63,800
USAF academy hospital		2,200	2,200
Retirement counseling		- 800	- 800
C-23A savings		- 2,000	- 2,000
Search and rescue		7,000	7,000
Total	21,890,400	21,817,327	- 73,073

COMMITTEE ADJUSTMENTS

Civil Air Patrol.—The Committee recommends an increase of \$1,700,000 consistent with the House allowance and authorization action. This increase funds aircraft maintenance, and cadet uniforms.

SR-71 maintenance.—The Committee recommends an increase of \$20,491,000 for continued operation of an SR-71 maintenance facility. This increase is consistent with the House allowance, and it is more fully discussed in a classified annex to this report.

Hamilton Air Force Base environmental cleanup.—The Committee has included bill language, consistent with the House allowance, that requires the Air Force to expeditiously clean up hazardous waste contamination at the former Hamilton AFB, Novato, CA. Report language accompanying the 1988 Senate Appropriations Committee report, as re-

stated in the report accompanying the continuing resolution, required the Air Force to use \$20,000,000 of its \$19,661,448,000 "Operation and maintenance" appropriation for this purpose. Since the Air Force did not comply with this direction, the Committee has adopted the bill language proposed by the House. Therefore, \$15,000,000 of fiscal year 1989 appropriations may be used only for the environmental cleanup of Hamilton Air Force Base.

Depot maintenance.—The Committee has included an increase of \$63,800,000 for Air Force depot maintenance. These funds are only to be used to reduce the backlog in exchangeable components, and are not to be reprogrammed for ADP, real property maintenance, or base operations. The Air Force chose to make major reductions in the maintenance and repair of exchangeable components when distributing reductions in 1988.

Sea search and rescue operations.—In fiscal year 1988, the Congress agreed to the active Air Force proposal to reduce search and rescue operations in Alaska, and further provided for an orderly transition to the Alaska National Guard. To ensure that the Guard had adequate assets to patrol the vast area required, the Congress approved funding for two HC-130 refueling aircraft and four MH-60 search and recovery helicopters for the Alaska Guard. This solution enabled the Air Force to redirect assets and personnel to special operations missions, and still meet critical life and safety needs of military and civilian operations in Alaska. Unfortunately, however, the budget plan does not allow for sufficient time to transition search and rescue missions, and calls for active Air Force units to relocate before new Guard aviation assets are delivered and mission-capable.

After further analysis, the Air Force now plans to phase out the active units through fiscal year 1989. The Committee has included an increase of \$7,000,000 to ensure that the adequate funding exists to maintain the current unit's operations during this transition period.

USAF Academy Hospital.—The Committee recommends an appropriation of \$2,200,000 to make repairs to the Air Force Academy Hospital needed to meet criteria established by the Joint Hospital Accreditation Commission. The funds appropriated will be used to repair the emergency/acute care facility (\$500,000), improve space allocation of the pharmacy (\$500,000), and complete asbestos removal and overhaul of the third floor (\$1,200,000).

Retirement transition counseling program.—The Committee recommends a reduction of \$800,000 for the request to establish a separate program for counseling personnel scheduled for retirement. Based on the Air Force's plan, a contractual effort is proposed to advise retiring personnel on private sector employment opportunities and ease the transition from active duty status.

The supporting documentation for the program suggests that retiring personnel have spent 20 plus years in a secure job with little or no thought given to competing for jobs. In a further attempt to justify the program, Air Force has advanced the contention that this is a retention

tool under the theory that prospective entrants to the Air Force and current personnel will be compelled by the prospect of assistance when eligible for retirement 20 years hence.

The Committee does not support the logic that a separate, dedicated program for this effort is necessary and cannot find any evidence to support the contention that personnel are more apt to be retained by the existence of such a program.

As an alternative, the Committee recommends that existing personnel divisions at each military base be assigned the task of counseling and advising prospective retirees. Additionally, the Air Force should seek assistance from the Guard and Reserve to maximize the prospects of keeping qualified, highly trained personnel within the total force, even though they may be retiring from active service.

These alternatives would capitalize the Government's career investment in personnel while achieving the Air Force's objective to assist prospective retirees without incurring additional expenses for a new program.

The Committee has not been able to identify whether the Army and the Navy are conducting similar programs, although press accounts would suggest that they are. If this is the case, the Committee recommends that their programs also be terminated and the alternatives recommended in this section be adopted.

C-23A contract logistics support.—The Committee recommends a reduction of \$2,000,000 to reflect savings accrued through full contract logistics support for C-23A European distribution system aircraft.

The Air Force conducted a cost analysis last year which demonstrated these savings through contract conversion of the full logistics and preflight operations requirements. Current mission and wartime requirements do not demand military personnel performance. In light of the documented savings potential, the Committee recommends that the Air Force proceed with this alternative.

Salisbury-Wicomico aviation safety.—In 1988, the Committee expressed concern about the safety of National Guard and general aviation safety at Salisbury-Wicomico, MD, airport. The Committee requested the National Guard Bureau to conduct a study on defining military requirements and the feasibility of maintaining air traffic control operations. Through an oversight, the study requested in 1988 was only recently tasked to the Air Force Communications Command. The Committee appreciates that the Air Force and National Guard are now moving expeditiously in this matter. The Committee recommends that the Air Force coordinate with the Navy to ensure that flight safety concerns of the Patuxent River Naval Air Station are adequately considered.

Other authorization reductions.—The Committee recommends the following additional reductions, totaling \$70,700,000, based on authorization action: command, control, and communications (\$20,000,000); transportation (\$5,000,000); administration (\$13,000,000), inventory management (\$27,500,000), and leather flight jackets (\$5,200,000).

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

1988 appropriation	\$7,112,951,000
1989 budget estimate	7,710,600,000
House allowance	7,721,100,000
Committee recommendation	7,547,463,000

The Committee recommends an appropriation of \$7,547,463,000. This is \$163,137,000 below the budget estimate and \$173,637,000 below the House allowance.

This appropriation finances the operation and maintenance costs of the Office of the Secretary of Defense, the Office of the Joint Chiefs of Staff, and various defense agencies and field activities, including: the Defense Logistics Agency, the Defense Communications Agency, the Defense Mapping Agency, the Defense Nuclear Agency, the Defense Contract Audit Agency, the Office of Dependent Education, Office of the Inspector General, and Washington Headquarters Service.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	7,710,600	7,710,600	
ADP	- 29,400	- 8,500	20,900
Defense legal services	- 776		776
Defense Nuclear Agency	- 560	- 15,000	- 14,440
Defense Technology Security Agency	- 264		264
Defense Investigative Service	10,000		- 10,000
Office of the Secretary	- 20,000	1,000	21,000
Washington headquarters service	- 1,600	- 5,000	- 3,400
Foreign currency	48,100		- 48,100
Classified programs	5,000	- 6,300	- 11,300
Office of Economic Adj.		500	500
Contractor support services		- 13,087	- 13,087
Command, control, communication		- 10,000	- 10,000
Goldwater-Nichols annualization		- 109,750	- 109,750
CASET study		3,000	3,000
Total	7,721,100	7,547,463	- 173,637

COMMITTEE ADJUSTMENTS

Office of Economic Adjustment.—The Committee recommends an increase of \$500,000 for Defense economic adjustment grants, planning assistance, and operating resources. The Office of Economic Adjustment [OEA] assists communities that are impacted by Defense contract cut-backs, base closures, installation growth, and encroachment. During the past 2 years, OEA has been tasked to review community-military school/education impacts, and to assist communities impacted by the closure of the Hanford, WA, N-Reactor. The Committee is aware that many State and local governments have praised the quality and professionalism of the assistance provided by OEA.

While requirements for community planning assistance are growing, the Committee is aware that the services have curtailed their support for such grant and technical assistance. The Committee believes that the services should continue to support such assistance. Nevertheless, to maintain a viable 1989 economic adjustment program, especially in light of potential base closures, the Committee has increased OEA's resources.

Defense Nuclear Agency atmospheric testing.—The Committee recommends a reduction of \$15,000,000 for the Defense Nuclear Agency [DNA]. The DNA budgets \$15,000,000 per year to maintain the capability to resume atmospheric nuclear testing. Such atmospheric testing has not been a realistic option for many years, and DNA's program wastes funds each year to maintain unnecessary capacity. Over the 5-year Defense program, \$75,000,000 would be much better used for other readiness programs.

Office of the Secretary of Defense/balance of payments and force structure capacity.—The Committee recommends against reducing the Office of the Secretary of Defense by \$20,000,000 as proposed by the House, and recommends instead an increase of \$1,000,000. The Committee was disappointed in the Department's balance of payments report submitted to the House and Senate Appropriations Committees in accordance with section 8042 of the 1988 continuing resolution. This response demonstrated that the Department of Defense has lost its capacity to closely monitor the impact on U.S. balance of payments, and the total cost of, U.S. forces stationed overseas. Similarly, the Committee held a force structure hearing that evidenced OSD does not have a consistent data base that tracks U.S. force structure. Based on the Committee's review of data bases, it appears the OSD maintains better historical data on Soviet forces than it does on U.S. forces.

The Committee expects the Department to increase staffing and ADP resources necessary to develop the capacity to track accurately the cost of stationing U.S. forces overseas, and the impact on balance of payments. Further, a consistent and comprehensive force structure data base needs to be developed that tracks U.S. force levels (number of tanks, combat brigades, support ships, tactical squadrons, number of attack aircraft, attack helicopters, etc.), on a consistent and comparable basis, back at least to 1960.

Center for American Scientists, Engineers, and Technologists [CASET] study.—The Center for American Scientists, Engineers, and Technologists [CASET] has undertaken a study assisted by the Department of Defense to determine and test factors that limit the supply of minority and women scientists, engineers, and technologists for defense industries and installations. The Committee believes that this study should be completed during fiscal year 1989 with emphasis on design, development, and field testing of intervention modules to increase minority and women participation in these careers. The study should be coordinated by the Office of the Secretary of Defense, Director, Research and Laboratory Management and administered by the U.S. Army Medical

Research and Development Command through a continuation of study grant No. DAMD17-88-Z-8013 with appropriate modifications and options. The Committee recommends appropriation of \$3,000,000 for completion of the CASET study.

Meal, ready-to-eat procurement.—The Committee believes that significant savings could be realized in procuring the meal, ready-to-eat [MRE] combat ration, if MRE were acquired under a total system acquisition approach. Under that approach, the various prime contractors assume full contractual responsibility not only for the final assembly of the ration, but also for the acquisition and management of all component items of the individual menus that comprise the deliverable ration assembly. In recent years, the Department of Defense has progressively withdrawn individual components from the prime contractor's scope of work and supplied these items as Government-furnished material [GFM]. The Committee believes that this may not be a cost-effective method of procuring MRE.

The Committee believes that the total acquisition approach could produce MRE more efficiently and at less cost than under the current GFM approach. Accordingly, the Department is required to conduct a test program under the total system acquisition approach process and report its findings to the Committee on Appropriations of the House and Senate by September 30, 1989.

Washington headquarters service.—The Committee recommends a reduction of \$5,000,000 for WHS which is \$3,400,000 below the House allowance.

Other authorization reductions.—The Committee recommends a reduction of \$10,000,000 for communications, command, and control based on authorization action.

OPERATION AND MAINTENANCE, ARMY RESERVE

1988 appropriation	\$857,540,000
1989 budget estimate	794,900,000
House allowance	794,900,000
Committee recommendation	794,900,000

The Committee recommends an appropriation of \$794,900,000. This is consistent with the budget request and the House allowance.

This appropriation provides for the activities of the Army Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	794,900	794,900	
Civilian technicians	5,000		- 5,000
Information management	- 5,000		+ 5,000
Total	794,900	794,900	

OPERATION AND MAINTENANCE, NAVY RESERVE

1988 appropriation	\$929,896,000
1989 budget estimate	979,200,000
House allowance	977,548,000
Committee recommendation	979,200,000

The Committee recommends an appropriation of \$979,200,000. This is consistent with the budget request and \$1,652,000 above the House allowance.

This appropriation provides for the activities of the Navy Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities. Costs of operating the Marine Reserve Air Wing are also included.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee adjustments recommended, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	979,200	979,200	
MCM ships	- 1,652		1,652
Total	977,548	979,200	1,652

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

1988 appropriation	\$69,500,000
1989 budget estimate	77,500,000
House allowance	77,500,000
Committee recommendation	77,500,000

The Committee recommends an appropriation of \$77,500,000. This is consistent with the budget request and the House allowance.

This appropriation provides for the activities of the Marine Corps Reserve, including the pay of civilian personnel and all associated activities.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

1988 appropriation	\$1,000,981,000
1989 budget estimate	1,028,500,000
House allowance	1,033,900,000
Committee recommendation	1,028,500,000

The Committee recommends an appropriation of \$1,028,500,000. This is consistent with the budget estimate and \$5,400,000 below the House allowance.

This appropriation provides for the activities of the Air Force Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	1,028,500	1,028,500	
Force structure restoration	5,400	5,400	
Fuel procurement		- 5,400	- 5,400
Total	1,033,900	1,028,500	- 5,400

COMMITTEE ADJUSTMENTS

Force structure.—The Committee recommends an increase of \$5,400,000 to restore Air Force Reserve flying hours, depot maintenance, technician pay, and other support costs needed to maintain current force structure. This issue is more fully discussed in the operation and maintenance summary.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

1988 appropriation	\$1,865,542,000
1989 budget estimate	1,797,000,000
House allowance	1,797,000,000
Committee recommendation	1,801,200,000

The Committee recommends an appropriation of \$1,801,200,000. This is \$4,200,000 above the budget request and the House allowance.

This appropriation provides for the activities and training of the Army National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimates, including those not specifically addressed in this report, are summarized as follows:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	1,797,000	1,797,000	
Flying hours		4,200	4,200
Recommended appropriation	1,797,000	1,801,200	4,200

COMMITTEE ADJUSTMENTS

Flying hours.—The Committee recommends an increase of \$4,200,000 to more adequately provide Army Guard flying hours. As the Guard has modernized with capable aircraft, such as the AH-64, flying hour costs have increased. The budget request decreased flying hours from 8.4 to 7.8 per crew per month, and does not fund or provide an adequate flying hour program.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

1988 appropriation	\$1,958,063,000
1989 budget estimate	1,965,400,000
House allowance	1,971,000,000
Committee recommendation	1,965,400,000

The Committee recommends an appropriation of \$1,965,400,000. This is consistent with the budget request and \$5,600,000 below the House allowance.

This appropriation provides for the activities of the Air National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized as follows:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1989 budget request	1,965,400	1,965,400	
Force structure restoration	5,600	5,600	
Fuel procurement		- 5,600	- 5,600
Total	1,971,000	1,965,400	- 5,600

COMMITTEE ADJUSTMENTS

Force structure.—The Committee recommends an increase of \$5,600,000 to restore Air National Guard flying hours, depot maintenance, technician pay, and other support costs needed to maintain current force structure. This issue is more fully discussed in the operation and maintenance summary.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

1988 appropriation	\$4,099,000
1989 budget estimate	4,300,000
House allowance	4,300,000
Committee recommendation	4,300,000

The Committee recommends an appropriation of \$4,300,000 for the National Board for the Promotion of Rifle Practice.

COURT OF MILITARY APPEALS

1988 appropriation	\$3,241,000
1989 budget estimate	3,500,000
House allowance	3,500,000
Committee recommendation	3,500,000

The Committee recommends an appropriation of \$3,500,000. This is consistent with the budget request and the House allowance

ENVIRONMENTAL RESTORATION, DEFENSE

1988 appropriation	\$402,800,000
1989 budget estimate	500,000,000
House allowance	500,000,000
Committee recommendation	500,000,000

The Committee recommends \$500,000,000, the amount requested by the budget estimate, for environmental restoration, defense. The Committee recommendation is consistent with the budget request and the House allowance.

The "Environmental restoration" account, created in 1984 by the Congress, allows the Defense Department to comply with the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Superfund legislation, which requires the Defense Department and other Federal agencies to take responsibility for environmental remedial action at Federal facilities.

HUMANITARIAN ASSISTANCE

1988 appropriation	\$13,000,000
1989 budget estimate	
House allowance	13,000,000
Committee recommendation	13,000,000

The Committee recommends an appropriation of \$13,000,000 which is consistent with the House allowance.

This appropriation provides for the transportation of excess Department of Defense nonlethal supplies for humanitarian assistance to refugees.

The Committee understands that the Department has not obligated funds provided for this program in 1988. The Secretary of Defense is requested to provide a report by October 15, 1988, that provides obligations incurred by August 30, 1988, and why any remaining fiscal year 1988 funds have not been obligated.

TITLE III PROCUREMENT

SUMMARY OF COMMITTEE ACTION

The Committee recommends \$78,881,294,000 for Department of Defense procurement programs in fiscal year 1989. This is a decrease of \$993,206,000 below the budget request, and \$1,791,346,000 below the allowance recommended by the House. Recommended allowances are tabulated below and explained in subsequent sections:

[In thousands of dollars]

	Fiscal year 1988 enacted	Fiscal year 1989 request	House allowance	Committee recom- mendation
Aircraft procurement, Army.....	2,718,406	2,791,500	2,828,379	2,883,700
Missile procurement, Army.....	2,332,237	2,586,600	2,565,500	2,519,700
Procurement of weapons and tracked combat vehicles, Army.....	3,207,187	2,960,600	2,812,521	2,886,700
Procurement of ammunition, Army.....	2,273,592	2,007,800	2,026,163	1,951,549
Other procurement, Army.....	5,093,549	4,774,000	4,655,837	4,434,696
Aircraft procurement, Navy.....	9,522,299	8,980,000	9,308,735	9,231,311
Weapons procurement, Navy.....	5,967,019	6,271,800	6,033,173	5,922,525
Shipbuilding and conversion, Navy.....	16,155,355	9,130,100	9,396,100	9,013,443
Other procurement, Navy.....	4,872,461	4,789,700	4,693,329	4,909,597
Coastal defense augmentation.....	20,000		350,000	
Procurement, Marine Corps.....	1,295,599	1,157,300	1,311,322	1,265,067
Aircraft procurement, Air Force.....	12,956,827	16,630,000	15,915,397	16,093,500
Missile procurement, Air Force.....	7,280,771	8,158,000	7,620,587	7,649,757
Other procurement, Air Force.....	8,010,827	8,393,500	8,097,047	8,133,249
National Guard and Reserve equip- ment.....	1,200,000		1,174,500	843,500
Procurement, defense agencies.....	1,266,263	1,216,100	1,207,550	1,130,000
Defense Production Act purchases.....	13,000	27,500	39,500	13,000
Space and related activities.....			637,000	
Total, title III, procurement: New budget (obligational) authority.....	84,195,392	79,874,500	80,672,640	78,981,294

PROCUREMENT OVERVIEW

The recommendation of \$78,881,294,000 is a 1.24-percent reduction to the President's budget request and is 6 percent below the totals provided for fiscal year 1988. The Committee notes the fiscal year 1989 DOD budget request is \$4,012,171,000 or 5 percent below the amounts requested by the Department in the fiscal year 1988 budget. The Committee remains concerned with the continued downward trends in

the annual procurement requests and also notes the declining percentage of the overall DOD budget made up of the procurement accounts.

In view of these declining procurement dollars, the Committee's recommendation seeks to continue the steady pace of modernization within a constrained fiscal environment. Where possible, the Committee's recommendation maintains minimum economic rates of production and aspires to provide stability to the procurement process.

The Committee has recommended programs for termination because of low priority or because they are duplicative of other program efforts. The Committee has also recommended deferring several initial procurement of new systems because of development and testing slippage or unacceptable concurrency which may lead to costly design changes.

In reviewing the budget request and prior year obligations, the Committee identified several areas where legitimate savings could be recouped. In reapplying these savings the Committee has chosen to increase production rates of F/A-18 aircraft, C-130 aircraft, DDG-51 destroyers, M1-A1 tanks, AHIP helicopter modifications, T-AO fleet oilers, and LCAC landing craft. In addition, the Committee has recommended buying out three special operations acquisition programs to accelerate the revitalization of our special operations capability and to alleviate pressures on the budget in the coming years.

The Committee has also supported all but one of the multiyear requests proposed by the Defense Department, and has directed the inclusion of two other programs—M1-A1 tanks and Apache helicopters. Review of additional multiyear candidates has been recommended by the Committee in programs which appear to be strong candidates for this procurement strategy.

The Committee remains convinced that emphasis on competition needs to continue. Competition has been, in general, successful in allowing more needed hardware to be purchased with fewer dollars. The Committee remains concerned that many acquisition programs are structured and supported on the basis of unrealistic production rates which will most likely never materialize. In times of fiscal constraint as current faced, it is incumbent on the Defense Department to ensure that program production goals are attainable within shrinking resources. Programs that are based on production rates which never materialize can lead to incorrect decisions regarding their cost effectiveness. The Committee expects the Office of the Secretary of Defense to reexamine all major acquisition programs, with a particular emphasis on programs transitioning from development to procurement in the next five years, and validate that the planned production rates are achievable prior to submission of the fiscal year 1990 budget. Failure to undertake this type of review and adjust planned production rates will surely lead to program stretch-outs, inefficient production rates and higher costs.

AIRCRAFT PROCUREMENT, ARMY

1988 appropriation	\$2,718,406,000
1989 budget estimate.....	2,791,500,000
House allowance.....	2,828,379,000
Committee recommendation	2,883,700,000

The Committee recommends an appropriation of \$2,883,700,000, an increase of \$92,200,000 above the President's budget and \$55,321,000 more than the House allowance.

This appropriation provides funding for the acquisition of tactical and utility airplanes and helicopters, including associated electronics and communications equipment and armament; modification and modernization of in-service aircraft; flight simulators; ground support equipment; production base support; and depot repairable assemblies, components, and repair parts including spare engines, transmissions, and gear boxes.

COMMITTEE RECOMMENDED PROGRAM

The Army Aviation Program for fiscal year 1989 reflects a significant change from that requested just 1 year ago. Acting upon guidance received from the Committee, the Army has undertaken a reexamination of its aviation plans and compiled a new Army aviation modernization plan which states the goals and objectives for Army aviation in the coming years. The budget request reflects many of the adjustments recommended in the new plan. Whereas the Army had previously planned to terminate the Apache, Blackhawk, and AHIP programs in the near term, the request for fiscal year 1989 provides funding to continue these programs at economic rates of production. In nearly every case, the Army request mirrors the guidance provided last year by this Committee. As such, the Committee recommendations incorporate few adjustments to the Army request.

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty. (1)	Amount (2)		Qty. (3)	Amount (4)		Qty. (5)	Amount (6)		Budget amount (8)	Qty. (9)	House amount (10)
AIRCRAFT PROCUREMENT, ARMY												
AIRCRAFT												
FIXED WING												
GOLDEN KNIGHTS REPLACEMENT AIRCRAFT.....	--	--		--	--		--	--		--	--	--
C-20 AIRCRAFT.....	--	--		--	--		--	--		--	--	--
CESSNA SKYLANE.....	--	--		--	--		--	--		--	--	--
RC-121/K RECON AIRPLANE.....	6	69,394		6	69,394		6	69,394		--	--	--
ROTARY												
EH-60 HELICOPTER (QUICKFIX) (HYP).....	--	--		--	--		--	--		--	--	--
EH-60A HELICOPTER (QUICKFIX) (HYP) (AP-CY).....	--	--		--	--		--	--		--	--	--
AH-64 ATTACK HELICOPTER (APACHE).....	72	773,076		72	795,076		72	834,476		461,400	--	439,400
AH-64 ATTACK HELICOPTER (APACHE) (AP-CY).....	--	36,000		--	76,000		--	76,000		440,000	--	--
UH-60 BLACKHAWK (HYP).....	72	251,568		72	221,568		72	236,068		-15,500	--	414,500
UH-60 BLACKHAWK (HYP) (AP-CY).....	--	205,600		--	205,600		--	205,600		--	--	--
TOTAL, AIRCRAFT.....	--	1,335,638		--	1,367,638		--	1,421,538		485,900	--	453,900
MODIFICATION OF AIRCRAFT												
OV-1 SURVEILLANCE AIRPLANE (MOHAWK).....	--	12,212		--	--		--	12,212		--	--	412,212
OV-1 SURVEILLANCE AIRPLANE (MOHAWK) (AP-CY).....	--	--		--	--		--	--		--	--	--
RC-120.....	--	31,900		--	31,900		--	31,900		--	--	--
RU-21.....	--	7,508		--	7,508		--	7,508		--	--	--
AH-1S.....	--	29,271		--	29,271		--	29,271		--	--	--
AH-64.....	--	17,330		--	6,330		--	6,330		-11,000	--	--

COMMITTEE RECOMMENDED ADJUSTMENTS

AIRCRAFT

AH-64 attack helicopter.—The Committee recommends \$834,476,000 for procurement of 72 Apache AH-64 helicopters and \$76,000,000 to support a multiyear procurement beginning in 1990. This is \$61,400,000 above the request for production and \$40,000,000 above the request for advance procurement. The allowance is \$39,400,000 above the House allowance for 1989 and the same for advance procurement. The recommended increase in this program is due to the underfunding of the request by the Defense Department. The Apache program has a long history of inaccurate cost estimating. It is anticipated that the amount provided will meet the costs of the program.

The House allowance includes \$22,000,000 for procurement of one combat mission simulator. The Committee understands that the increase in Apache production as recommended in the new Army aviation modernization plan establishes an increased need for simulators. The Committee believes the Army should use available funds within the Apache program to purchase an additional combat mission simulator.

The Committee recommends that one battalion of Apache helicopters be designated for the National Guard to complete the standup of two units begun in 1988.

UH-60 utility helicopter.—The Committee recommends \$236,068,000 for production of 72 UH-60 helicopters. This is \$15,500,000 below the request and \$14,500,000 above the House. The Committee recognizes that the Army must begin to implement protection from electromagnetic interference [EMI] in Blackhawk UH-60 helicopters as explained below. While sufficient funds should be available within the amount requested to initiate EMI protection, the Committee believes the reduction as recommended by the House would constrain the beginning of this necessary change.

The inspector general of the Defense Department has recently completed a report, suggesting that electromagnetic interference [EMI] can cause the electronic components on the UH-60A to malfunction, which is potentially a safety-of-flight issue. This is a serious problem that deserves top-priority attention by the Army leadership.

The inspector general makes the following recommendations to the Secretary of the Army: (a) complete UH-60A EMI testing; (b) undertake comprehensive analysis of UH-60A EMI operating environment, including modern EMI battlefield conditions; (c) make early decision on incorporation of EMI shielding in new production helicopters; (d) develop detailed plan for EMI modifications for both production and retrofit to include essential funding, cost, and schedule information.

The Committee concurs with the inspector general's recommendations and asks that the Army submit a detailed EMI modification plan for the UH-60A by October 1, 1988.

As an interim measure, the Committee recommends that UH-60A EMI shielding be upgraded to Navy standards as incorporated in

SH-60B/F helicopters. Toward that end, the Committee recommends that \$10,000,000 in fiscal year 1989 funds requested for UH-60A procurement and \$2,500,000 requested for modifications be used to begin EMI hardening.

OV-1D Mohawk.—The Committee recommends \$12,212,000 for the OV-1D Mohawk Program as requested. The House recommendation denies all funds for this program. Due to continued delays to the Joint STARS Program, the Committee does not believe the House recommendation is a prudent course.

MODIFICATION OF AIRCRAFT

AH-64.—The Committee agrees with the House reduction of \$11,000,000 from the request for AH-64 modifications for air-to-air Stinger. The Committee believes if the contract award can be made in 1989, the Army could reprogram sufficient assets to cover the required amounts.

Special operations modifications.—The Committee recommends \$139,009,000 for costs of special operations modifications associated with the MH-60K and MH-47E programs. This is the same as the budget request and \$31,909,000 above the House allowance. The Committee agrees with the House in expressing its strong support for the program, but believes strong support warrants full funding of the request.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments in accordance with authorization:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
CH-47D	171,887	166,587	161,887
Aircraft survivability equipment.....	85,011	75,711	75,711

OTHER HOUSE ADJUSTMENTS

The Committee recommends accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
UH-60 mods.....	28,412	23,412	23,412
AHIP	139,000	168,600	168,600
AHIP (AP)	22,000	34,000	34,000

MISSILE PROCUREMENT, ARMY

1988 appropriation	\$2,332,237,000
1989 budget estimate.....	2,586,600,000
House allowance.....	2,565,500,000
Committee recommendation	2,519,700,000

The Committee recommends an appropriation of \$2,519,700,000. This is \$66,900,000 below the President's budget and \$45,800,000 below the House allowance.

This appropriation provides for the procurement of surface-to-air and surface-to-surface missile systems; air defense control and coordination systems; antitank/assault missile systems; modification of in-service missiles and supporting equipment; and related costs such as production base support.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1989 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
MISSILE PROCUREMENT, ARMY												
OTHER MISSILES												
SURFACE-TO-AIR MISSILE SYSTEM												
CHAPARRAL.....	368	57,907	368	57,907	368	49,407	---	-8,500	---	-8,500	---	-8,500
ADS HWY MSL SYSTEM.....	60	85,000	66	85,000	60	---	---	-85,000	---	-85,000	---	-85,000
ADS HWY MSL SYSTEM (AP-CY).....	---	23,750	---	23,750	---	23,750	---	---	---	---	---	---
OTHER MISSILE SUPPORT.....	---	4,540	---	4,540	---	4,540	---	---	---	---	---	---
PATRIOT(MYP).....	815	781,335	815	781,335	815	781,335	---	---	---	---	---	---
PATRIOT(MYP) (AP-CY).....	---	37,400	---	37,400	---	37,400	---	---	---	---	---	---
STINGER(MYP).....	6,750	242,468	6,750	242,468	6,750	242,468	---	---	---	---	---	---
STINGER(MYP) (AP-CY).....	---	---	---	---	---	---	---	---	---	---	---	---
STINGER PEDESTAL MOUNT.....	---	92,242	---	92,242	---	92,242	---	---	---	---	---	---
AIR-TO-SURFACE MISSILE SYSTEM												
LASER HELLFIRE SYSTEM.....	5,000	180,502	6,000	215,502	6,000	205,502	11,000	425,000	---	-10,000	---	-10,000
ANTI-TANK/ASSAULT MISSILE SYSTEM												
TOW 2 (MYP).....	12,000	143,682	12,000	143,682	12,000	143,682	---	---	---	---	---	---
PERSHING.....	---	---	---	---	---	---	---	---	---	---	---	---
MULTIPLE LAUNCH ROCKET SYSTEM (MYP).....	48,000	369,441	48,000	351,441	48,000	369,441	---	---	---	---	---	---
MLRS BINARY WARHEAD.....	---	16,600	---	---	---	16,600	---	---	---	---	---	---
MULTIPLE LAUNCH ROCKET SYSTEM (MYP) (AP-CY).....	---	20,800	---	20,800	---	20,800	---	---	---	---	---	---

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	(1)	Qty.	Amount	(2)	Qty.	Amount	(3)	Qty.	Budget amount	House amount
	(1)	(2)	(1)	(3)	(4)	(2)	(5)	(6)	(7)	(8)	(9)	(10)
ARMY TACTICAL MISSILE SYS (ATACMS).....	66	76,300		66	68,700		66	62,700	--	-13,600	--	-6,000
ARMY TACTICAL MISSILE SYS (ATACMS) (AP-CY).....	--	4,300		--	4,300		--	4,300	--	--	--	--
TOTAL, OTHER MISSILES.....		2,136,267			2,129,067			2,054,167		-82,100		-74,900
MODIFICATION OF MISSILES												
MODIFICATIONS												
PATRIOT MODS.....	--	40,185		--	40,185		--	40,185	--	--	--	--
CHAPARRAL MODS.....	--	8,129		--	8,129		--	8,129	--	--	--	--
HAWK MODS.....	--	27,592		--	27,592		--	27,592	--	--	--	--
TOW MODS.....	--	19,097		--	34,297		--	34,297	--	+15,200	--	--
DRAGON MODS.....	--	17,281		--	17,281		--	17,281	--	--	--	--
LANCE MODS.....	--	15,359		--	15,359		--	15,359	--	--	--	--
PERSHING MODS.....	--	980		--	980		--	980	--	--	--	--
MLRS MODS.....	--	32,860		--	32,860		--	32,860	--	--	--	--
AN/TSO-73 MODS.....	--	1,289		--	1,289		--	1,289	--	--	--	--
TOTAL, MODIFICATION OF MISSILES.....		162,772			177,972			177,972		+15,200		--
SPARES AND REPAIR PARTS.....	--	254,302		--	225,202		--	254,302	--	--	--	+29,100

[In thousands of dollars]

	1968 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty. (1)	Amount (2)	Qty. (3)	Qty. (3)	Amount (4)	Qty. (5)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)	House amount (10)
SUPPORT EQUIPMENT AND FACILITIES												
AIR DEFENSE TARGETS.....	--	22,076	--	--	22,076	--	--	22,076	--	--	--	--
ITEMS LESS THAN \$2.0K (MISSILES).....	--	2,148	--	--	2,148	--	--	2,148	--	--	--	--
PRODUCTION BASE SUPPORT.....	--	9,035	--	--	9,035	--	--	9,035	--	--	--	--
TOTAL, SUPPORT EQUIPMENT AND FACILITIES.....		33,259			33,259			33,259				
TOTAL, MISSILE PROCUREMENT, ARMY.....		2,586,600			2,586,500			2,519,700		-66,900		-45,800

COMMITTEE RECOMMENDED ADJUSTMENTS

Chaparral.—The Committee recommends \$49,407,000 for the procurement of as many Chaparral rosette scan seeker [RSS] missiles as these and available prior-year funds will allow. This allowance is \$8,500,000 below the budget request and House allowance for fiscal year 1989.

On March 31, 1988, the Army sent the Committee a revised Chaparral RSS Missile Program acquisition plan which shows a lower annual production rate than previously planned and budgeted for by the Army. In light of these lower production rates, the Committee strongly agrees with the House that the Army should not, at this time, facilitate the prime or second source producer for more than 35 missiles per month, as opposed to the 80 per month budgeted for in the President's request. However, because of the tight fiscal environment, the Committee does not agree with the House that the savings from reduced facilitization should be used to procure additional missiles.

Air defense system heavy (ADATS).—The Army has requested \$85,000,000 to enter into low-rate initial production [LRIP] of the line of sight heavy forward [LOS-H-F] air defense system, ADATS, in fiscal year 1989, and \$23,750,000 in advance procurement for fiscal year 1990.

The Committee remains concerned that the Army's current acquisition plan will commit \$142,000,000 for production fire units prior to the completion of operational testing. A March 3, 1988, report from the Director of Operational Test and Evaluation states the proposed production systems will differ somewhat from the system that won the shootoff last summer, and it is not currently possible to predict the amount of engineering development and technical testing which will be required to support a decision to enter into LRIP. In fact, the Army is requesting approximately \$50,000,000 in fiscal year 1989 to continue research, development, and testing of the ADATS system at the same time they plan to enter into low-rate production.

The Committee does not support the commitment of procurement funds for production systems until the successful completion of the initial operational test. Since IOT&E is not scheduled for completion until the beginning of fiscal year 1990, the Committee denies the Army's fiscal year 1989 procurement request of \$85,000,000. The Committee, however, supports the requested advance procurement funds in the amount of \$23,750,000 so the Army can enter into a LRIP contract immediately upon successful completion of IOT&E.

Laser Hellfire.—The Army requested \$180,502,000 for the procurement of 5,000 Hellfire missiles in fiscal year 1989. The Committee provides \$205,502,000 for the procurement of as many laser Hellfire missiles as these funds will allow, however, expects the Army to procure at least 6,000 missiles. This is an increase of \$25,000,000 over the budget request and \$10,000,000 below the House allowance.

The Committee continues its strong support of sufficient Hellfire missiles to maintain a competitive acquisition strategy between the two facilitated producers. As a result of competition, the annual average unit price of the Hellfire missile has been reduced by over 25 percent in the past three production contracts.

Army tactical missile [ATACMS].—The Army requested \$76,300,000 to procure 66 Army tactical missile systems [ATACMS] in fiscal year 1989 and \$4,300,000 to support advance procurement for fiscal year 1990. The Committee recommends \$62,700,000, \$13,600,000 below the request and \$6,000,000 below the House allowance. This allowance will provide sufficient funds for the procurement of the requested 66 missiles.

The reduction is based upon a General Accounting Office [GAO] report that identified \$13,600,000 requested in the budget for unexpected or unanticipated cost increases associated with scheduling and technical problems, and potential engineering changes to the contract. These contingencies are inconsistent with Army testimony that states the ATACMS program: (1) is low risk, (2) is a firm fixed-priced contract, and (3) the budget request is fully funded at the maximum contract cost estimates. The \$13,600,000 for these management reserves are denied.

The Army has recently requested permission of Congress to enter into an economic order buy to procure the entire quantity of M-219A2 fuzes to support the initial procurement of 1,000 ATACMS. These fuzes would be stored, at no additional cost to the Government, at Milan Army Ammunition Plant until needed. The Army has also informed the Committee that the M-219A2 fuzes have an indefinite shelf life and an early buy will not jeopardize the performance of the ATACMS system.

The Committee will not object to the Army entering into a economic order contract for the M-219A2 fuzes.

TOW missile modifications.—The Army requested \$19,097,000 for the modification of TOW missiles in fiscal year 1989. The Committee recommends an allowance of \$34,297,000, \$15,200,000 above the budget request and consistent with the House recommendation for a new TOW warhead initiative.

ITEMS OF SPECIAL INTEREST

Multiple launch rocket system [MLRS].—On May 25, 1988, the Committee received an interim report from the Secretary of the Army in fulfillment of the requirement to submit a plan to accelerate the program of equipping the National Guard with the multiple launch rocket system [MLRS]. The Secretary has committed to sending the final plan to Congress by November 1988. The Committee looks forward to the opportunity to review the final plan in November and fully expects to see the appropriate budget request for the MLRS which will support the production and fielding decisions agreed to within the final plan.

The Committee continues to recognize the value of a strong, ready, and fully equipped National Guard. With the current end strength limitations in our Active Force it is increasingly important that the Army National Guard, which provides over 50 percent of the artillery firepower to the total force, be modernized and complementary to their active counterpart. The Committee hopes that the Army's revised field-

ing plan will fully recognize the indispensable contribution the Army National Guard's artillery battalions and Corps units will provide in future conflicts.

The Committee is very concerned about the recent loss of the ammonium perchlorate production facility in Nevada. Ammonium perchlorate is a major component of the rocket propulsion system of the MLRS. The Committee hopes sufficient support is being generated by the Army field commanders and the Army leadership to identify the national defense priority of the MLRS and the importance of sufficient supplies of ammonium perchlorate to continue current production rates. The Committee expects to be kept informed of any potential changes to the current production rates of the MLRS rocket as a result of the allocation of available ammonium perchlorate.

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
Multiple launch rocket system.....	369,441	351,441	369,441
MLRS binary warhead	16,600		16,600
Spares and repair parts	254,302	225,202	254,302

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

1988 appropriation	\$3,207,187,000
1989 budget estimate	2,960,600,000
House allowance	2,812,521,000
Committee recommendation	2,886,700,000

The Committee recommends an appropriation of \$2,886,700,000. This is a decrease of \$73,900,000 below the President's budget and \$74,179,000 more than the House allowance.

This appropriation provides for the procurement of tanks, armored personnel carriers and combat engineer vehicles. Funds are also included for the acquisition of machine guns, grenade launchers, towed and self-propelled guns and howitzers, laser rangefinders, associated training equipment, modification of in-service equipment, investment spares and repair parts and major components, and production base support.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
PROCUREMENT OF M1TCV, ARMY												
TRACKED COMBAT VEHICLES												
BRADLEY FIGHTING VEHICLES (MYP).....	581	682,200	550	644,050	581	653,600	---	-28,600	+31	49,550		
BRADLEY FIGHTING VEHICLES (MY) (AP-CY).....	---	31,800	---	30,000	---	31,800	---	---	---	+1,800		
BRADLEY FVS TRAINING DEVICES (MOD).....	---	3,800	---	3,800	---	3,800	---	---	---	---		
FIELD ARTILLERY AMMUNITION SUPPORT VEH.....	---	---	---	---	---	---	---	---	---	---		
RECOVERY VEHICLE, MED, FT, M88A1.....	80	83,800	80	78,800	80	78,800	---	-5,000	---	---		
RECOVERY VEHICLE, MED, FT, M88A1 (AP-CY).....	---	22,300	---	22,300	---	22,300	---	---	---	---		
ABRAMS TANK SERIES ROLL (MYP).....	545	1,131,600	545	1,105,000	545	1,131,600	---	---	---	+26,600		
ABRAMS TANK SERIES ROLL (AP-CY).....	---	212,100	---	252,100	---	252,200	---	14,100	---	44,100		
M60 SERIES TANK TRAINING DEVICES.....	---	14,500	---	---	---	---	---	-14,500	---	---		
M1 SERIES TANK TRAINING DEVICES.....	---	---	---	---	---	---	---	---	---	---		
MODIFICATION OF TRACKED COMBAT VEHICLES												
CARRIER, MOD.....	---	38,500	---	32,700	---	38,500	---	---	---	45,800		
BFVS SERIES (MOD).....	---	62,900	---	33,800	---	62,900	---	---	---	429,100		
HOWITZER, MED SP FT 155MM M109 SER(MOD).....	---	30,000	---	25,500	---	30,000	---	---	---	14,500		
HOWITZER, MED SP FT 155MM M109 SER(MOD) (AP-CY).....	---	---	---	---	---	---	---	---	---	---		
TANK, COMBAT, 105MM, GUN, M60SER (MOD).....	---	9,900	---	---	---	---	---	-9,900	---	---		
TANK, M1 SERIES (MOD).....	---	---	---	---	---	---	---	---	---	---		
9MM.....	---	600	---	600	---	600	---	---	---	---		
HOST NATION SUPPORT.....	---	13,038	---	13,038	---	13,038	---	---	---	---		

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)	House amount (10)		
SUPPORT EQUIPMENT AND FACILITIES												
SPARES AND REPAIR PARTS.....	--	400,500	--	367,500	--	340,500	--	--	--	-27,000		
ITEMS LESS THAN \$2.0K (TCV-WTCV).....	--	2,700	--	2,700	--	2,700	--	--	--	--		
PRODUCTION BASE SUPPORT (TCV-WTCV).....	--	40,829	--	28,700	--	40,829	--	--	--	+12,129		
REGIONAL MAINTENANCE TRAINING SITES-EQUIP.....	--	16,200	--	16,200	--	16,200	--	--	--	--		
TOTAL, TRACKED COMBAT VEHICLES.....		2,797,267		2,656,788		2,723,367		-73,900		+66,579		
WEAPONS AND OTHER COMBAT VEHICLES												
HOMITZER, LIGHT, TOWED, 105MM, M119.....	88	28,800	88	28,800	88	28,800	--	--	--	--		
SQUAD AUTOMATIC WEAPON (SAW) 5.56MM.....	5,175	11,500	--	--	5,175	11,500	--	--	+5,175	+11,500		
GRENADE LAUNCHER, AUTO, 40MM, MK19-3.....	800	12,000	800	12,000	800	12,000	--	--	--	--		
LAUNCHER, SMOKE GRENADE.....	2,435	1,600	2,435	1,600	2,435	1,600	--	--	--	--		
120MM MORTAR.....	--	--	46	5,000	--	--	--	--	-46	-5,000		
M16 RIFLE.....	49,800	22,300	49,800	22,300	49,800	22,300	--	--	--	--		
SNIPER WEAPON SYSTEM.....	500	1,900	500	1,900	500	1,900	--	--	--	--		
PERSONAL DEFENSE WEAPON, 9MM.....	33,078	7,000	33,078	7,000	33,078	7,000	--	--	--	--		
VEH RAPID FIRE MPN SYS-BUSHMASTER (HYP).....	853	29,500	822	28,400	853	29,500	--	--	+31	+1,100		
VEH RAPID FIRE MPN SYS-BUSHMASTER (HYP) (AP-CY).....	--	2,400	--	2,400	--	2,400	--	--	--	--		
MODIFICATION OF WEAPONS AND OTHER COMBAT												
M16A1 RIFLE MODS.....	--	1,800	--	1,800	--	1,800	--	--	--	--		
MODIFICATIONS LESS THAN \$2.0K (MOCV-WTCV).....	--	4,500	--	4,500	--	4,500	--	--	--	--		

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to--		
	Qty.	Amount	(1)	Qty.	Amount	(3)	Qty.	Amount	(5)	Qty.	Budget amount	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
SUPPORT EQUIPMENT AND FACILITIES												
SPARES AND REPAIR PARTS.....	--	26,500	--	26,500	--	26,500	--	--	--	--	--	--
ITEMS LESS THAN \$2.0M (WDCV-WTCV).....	--	4,200	--	4,200	--	4,200	--	--	--	--	--	--
PRODUCTION BASE SUPPORT (WDCV-WTCV).....	--	9,333	--	9,333	--	9,333	--	--	--	--	--	--
TOTAL, WEAPONS AND OTHER COMBAT VEHICLES.....		163,333		155,733		163,333						47,600
		=====		=====		=====						=====
TOTAL, PROCUREMENT OF WTCV, ARMY.....		2,960,600		2,612,521		2,886,700		-73,900				474,179

AUTHORIZATION CHANGES

The Committee recommends the following reductions in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
Recovery vehicle M-88A1	83,800	78,800	- 5,000
M-60 series tank training devices	14,500		- 14,500
M-60 series tank modification	9,900		- 9,900

COMMITTEE RECOMMENDED ADJUSTMENTS

Bradley fighting vehicle.—The Army requested \$682,200,000 for the procurement of 581 Bradley fighting vehicles in fiscal year 1989 and \$31,800,000 in advance procurement for fiscal year 1990. The Committee recommends an allowance of \$653,600,000 in procurement and fully funds the advance procurement request. The allowance is \$28,600,000 below the request and \$9,550,000 above the House recommendation. The Committee's recommendation supports the requested 581 vehicle program.

The Army's request includes \$33,600,000 for the procurement of an armor enhancement package for the Bradley fighting vehicle. Since the submission of the budget, the Army has rejected the current acquisition program and is developing a new acquisition plan for the armor enhancement package. The new acquisition plan, already 3 months behind schedule, does not award a production contract until fiscal year 1990.

The Committee is very concerned with the delays in this highly important program which will significantly increase the survivability of the Bradley. The Committee encourages the Army to move forward expeditiously to award a competitive procurement contract by the first quarter of fiscal year 1990.

The reduction of \$28,600,000 from the request is for funds programmed for the armor enhancement package which are now excess to the fiscal year 1989 requirements. The Committee has left \$5,000,000 of the funds requested in fiscal year 1989 for armor enhancement to be used only for the selection of a production contractor through a competitive procurement process, as directed by Congress in previous years.

M-1A1 Abrams tank.—The Army request includes \$1,131,600,000 to procure 545 M-1A1 tanks in fiscal year 1989 and \$212,100,000 in advance procurement funds for fiscal year 1990 and beyond.

The Committee fully supports the fiscal year 1989 procurement request and provides \$256,200,000 in advance procurement, an increase of \$44,100,000 above the request and \$4,100,000 above the House allowance.

The Army is in the final stages of developing a comprehensive armor/antiarmor master plan which purportedly will be the guide to the program and budget decisions which will deal with the serious imbalances between NATO and the Warsaw Pact armor force capabilities.

The Committee understands that the final decisions and program must be approved by the Office of the Secretary of Defense [OSD] before the Army officially transmits the plan to Congress. The Committee applauds the Army's efforts and hopes that these decisions are made expeditiously.

The Army has briefed the Committee on the general direction of the master plan. The Committee understands the Army: (1) has terminated any further effort to upgrade the M-60 series, 105 mm, tank, (2) will continue to produce and block modify the M-1A1 tank, (3) will retrograde M-1, 105 mm, tanks through depot when traded out for M-1A1's, and reissue to both Active and Reserve Forces, and (4) will begin a tank upgrade program which will up-gun the 3,000, 105 mm, M-1's currently in the inventory with the 120 mm smoothbore cannon. The speed with which each of these efforts is accomplished will depend directly on future Army budget levels.

The Committee supports the Army's decision to continue to build and upgrade the current M-1A1 tank and has included additional funds within the advance procurement line to execute the Army plan to exercise the one available option for 299 tanks and negotiate a follow-on multiyear at 48 tanks per month.

The Committee also supports, with some reservations, the Army's decision to terminate any further upgrades to the M-60 series tank fleet. Facts now show that a 105 mm gun does not have the ability to defeat at least part of the armor forces currently fielded by the Warsaw Pact, and the situation will only get worse as the Soviets continue to upgrade their tank fleet. The Committee is quite concerned, however, that this will end a major effort to modernize the National Guard tank fleet and questions the Army's solution of issuing M-1 tanks to Guard forces in lieu of M-60A3's. If a 105 mm cannon cannot defeat all currently fielded Warsaw Pact tank, then issuing 105 mm, M-1 tanks, to the Guard is not the optimum solution. The final Army plan must deploy the 120 mm cannon into the Guard as soon as possible. To this end, the Committee has added \$145,000,000 in the National Guard and Reserve equipment account for the procurement of 58 M-1A1 tanks in fiscal year 1989.

Initial fielding of M-1A1's with the enhanced armor package should be programmed to the forward deployed Active Force. These additional funds, therefore, may be used by the Army to purchase new production tanks for the Active Force. The Committee, however, requests that the Army develop a distribution plan which will place at least 58 120 mm M-1A1's, without the enhanced armor package into the National Guard inventory prior to the end of fiscal year 1991.

Finally, the Committee has very serious reservations with the Army's plan to up-gun M-1 tanks. Preliminary estimates show the total program costs to up-gun the 105 mm fleet of M-1 tanks is approximately \$4,300,000,000. If executed, the up-gun program would solve the lethality issue with the older M-1's but would not improve the survivability of the crew afforded with the Army's new DU armor

package. The question that needs to be answered for the Committee is whether it is wiser to invest \$4,300,000,000 to up-gun M-1 tanks or should the Army invest this same amount in new production tanks.

The urgency of the situation dictates that this analysis must be done quickly and decisions need to be made. The Committee, therefore, expects the Army to complete this analysis prior to the fiscal year 1990 budget submit and limits any expenditures of funds for the up-gun program to completing this analysis and preliminary design work necessary to accurately develop an acquisition plan for presentation to Congress. The funds appropriated in the fiscal year 1988 and prior years budgets for the M-60 series tank modification and subsequently authorized this year for M-1 tanks, may be used to complete the analysis and preliminary design requirements. The Committee expects the up-gun program acquisition plan, if approved, to be fully competed. Therefore, no funds may be expended for facilitization, long-lead materials, or production until the M-1 up-gun versus new tanks analysis is complete and the competitive acquisition plan is approved by Congress.

Spares and repair parts.—The Army has requested \$400,500,000 in fiscal year 1989 for the procurement of spare and repair parts for weapons and track vehicles. The Committee recommends an allowance of \$340,500,000, \$60,000,000 below the request, and \$27,000,000 below the House allowance.

The reduction is based upon a GAO analysis of current Army requirements for spare and repair parts. The GAO reports that the budget request was submitted based upon a November 1987 repair and procurement audit system [RPAS] data base analysis of Army requirements. The GAO further reports that the November 1987 RPAS report was reviewed by each of the hundreds of spare and repair parts line item managers in the Tank and Automotive Command and adjustments were made according to updated requirements. A March 1988 update and a new May 1988 RPAS report were reviewed by the GAO and compared to the November 1978 report and the GAO report identifies reduced requirements.

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
Carrier modifications	38,500	32,700	38,500
Bradley fighting vehicle modification	62,900	33,800	62,900
Howitzer 155 mm modifications	30,000	25,500	30,000
Production base support	40,829	28,700	40,829
Squad automatic weapon	11,500		11,500
120 mm mortar		5,000	
Bushmaster	29,500	28,400	29,500

PROCUREMENT OF AMMUNITION, ARMY

1988 appropriation	\$2,273,592,000
1989 budget estimate.....	2,007,800,000
House allowance.....	2,026,163,000
Committee recommendation	1,951,549,000

The Committee recommends an appropriation of \$1,951,549,000 for ammunition, including \$172,831,000 for production base support. This is a decrease of \$56,251,000 below the President's request and \$74,614,000 less than the House allowance.

This appropriation provides for the procurement of all Army ammunition except missiles. Funds are also included for industrial facilities required for the production of ammunition components and end items, the modernization of Army ammunition facilities (including construction), and the layaway of Government-owned plants and equipment where it has been established that such facilities will be required in the event of mobilization.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)	House amount (10)		
PROCUREMENT OF AMMUNITION, ARMY												
AMMUNITION												
ATOMIC MATERIEL												
NUCLEAR WEAPONS SUPPORT MATERIEL.....	--	8,874	--	8,874	--	8,874	--	--	--	--	--	
CONTROLLED ITEMS												
CTG, 5.56MM, ALL TYPES.....	--	57,139	--	78,239	--	57,139	--	--	--	--	-21,100	
CTG, 5.56MM, BALL M193.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 5.56MM, TRACER.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 5.56MM, TRACER CLIP.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 5.56MM, BLANK M200.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 5.56MM, BLK M200, LKD F/SAW.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 5.56MM BALL M16-A2.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 5.56MM, PLASTIC M862.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 5.56MM TRACER M16-A2.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 7.62MM ALL TYPES.....	--	37,325	--	51,825	--	29,400	--	-7,925	--	-22,425	--	
CTG, 7.62MM, 4 BALL M80/1 TRCR M62 LKD.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, 7.62MM, BLANK M82 LXD/M13.....	--	--	--	--	--	--	--	--	--	--	--	
CTG, CAL .45, BALL M1911.....	12,360	1,325	12,360	1,325	12,360	1,325	--	--	--	--	--	
CTG, CAL .50, PLASTIC LKD 4 BALL/1 TRACER.....	2,765	2,980	2,765	2,980	2,765	2,980	--	--	--	--	--	
CTG, CAL .50 BLANK T928 W/M9 LK.....	227	198	227	198	227	198	--	--	--	--	--	
CTG, 20MM, LKD TP-T M220 SERIES MLR M14A2.....	1,904	6,337	1,904	6,337	1,904	6,337	--	--	--	--	--	
CTG, 20MM, LKD 4 TP M55A2/1TP-T M220.....	1,004	2,871	1,004	2,871	1,004	2,871	--	--	--	--	--	
CTG, 25MM, TPT LKD M793 MLR M28.....	1,145	10,232	1,145	10,232	1,145	10,232	--	--	--	--	--	

[In thousands of dollars]

	1969 budget			1969 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	(1)	Qty.	Amount	(2)	Qty.	Amount	(3)	Qty.	Budget amount	House amount
	(1)	(2)		(3)	(4)		(5)	(6)	(7)	(8)	(9)	(10)
CTG, 25MM AP TRAINING RD.....	2,354	45,164		2,354	45,164		2,354	45,164				
CTG, 30MM, LKD TP M788.....	634	6,021		634	6,021		634	6,021				
CTG, 40MM, ALL TYPES.....		30,693			8,443			8,443		-22,200		
CTG 40MM HEDP M430.....												
CTG 40MM TP F/MK19.....												
CTG 40MM GREEN STAR PARACHUTE.....												
CTG, 40MM, PRAC M781.....												
CTG 40MM WHITE STAR CLUSTER M585 F/LCHR M7.....												
CTG 40MM RED STAR PARA M662 F/LCHR M79/M20.....												
CTG, 40MM TACTICAL CS M651.....												
CTG 60MM ILLUM XM721.....												
CTG 60MM SMOKE WP XM722.....	36	4,061		36	4,061		36	4,061				
CTG, 60MM, HE M720M/M734 MOF.....												
60MM METAL PARTS.....												
CTG, 81MM HE, M821.....												
CTG, 81MM: 1/10 RING, PRAC M880.....	19	4,471		19	4,471		19	4,471				
CTG, 4.2 IN M3 M329 HE W/FUZE PD.....	200	20,000					200	20,000			+200	+20,000
CTG, 4.2 IN MORTAR ILLUMINATING.....	193	37,435					193	37,435			+193	+37,435
CTG, 120MM MORTAR HE W/PD FUZE.....				67	17,800						-67	-17,800
CTG, 120MM MORTAR, ILLUM.....				27	15,700						-27	-15,700
CTG, 120MM MORTAR TNG 1/10.....												
CTG, 105MM, BLANK M395.....												
CTG, 105MM, M314A3 SER ILLUM W/F F/MOMITZ.....												
CTG, 105MM, TP-T, M490.....	120	14,893							-120	-14,893		

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
CTG, 105MM, DS-TP M724,.....	176	25,767	176	25,767	176	25,767	---	---	---	---	---	---
CTG, 105MM, AFSDS-T M833,.....	---	---	---	---	---	---	---	---	---	---	---	---
CTG, 105MM, AFSDS-T, (XM900E1),.....	---	---	---	---	---	---	---	---	---	---	---	---
CTG, 120MM AFSDS-T M829,.....	57	130,614	57	130,614	57	130,614	16	30,906	+16	+30,906	+16	+30,906
CTG, 120MM HEAT-WP-T, M830(MYP),.....	17	29,501	17	29,501	17	29,501	---	---	---	---	---	---
CTG, 120MM TP-T M831 (MYP),.....	50	44,240	50	44,240	50	44,240	---	---	---	---	---	---
CTG, 120MM TPCSDS-T, M865(MYP),.....	117	75,659	117	75,659	117	75,659	---	---	---	---	---	---
CTG, SUBCAL 35MM F/TANK,.....	112	5,493	112	5,493	112	5,493	---	---	---	---	---	---
PROJ 155MM, HE, ICH, M483,.....	221	103,238	221	103,238	221	103,238	---	---	---	---	---	---
M42/M46 GRENADE PARTS FOR M483,.....	---	---	---	13,000	---	---	---	---	---	---	---	-13,000
PROVE-OUT M483,.....	---	---	---	---	---	---	---	---	---	---	---	---
PROJ, 155MM ILLUM M485 W/O FUZE,.....	---	---	---	---	---	---	---	---	---	---	---	---
PROJ, 155MM WP SMOKE XM761/M825,.....	60	19,459	14	4,459	60	19,459	---	---	---	---	---	---
PROJ, 155MM, HE, ADAM, M731,.....	13	51,525	13	51,525	13	51,525	---	---	---	---	---	---
PROJ, 155MM, HE, RAAMS M718,.....	19	22,300	19	22,300	19	22,300	---	---	---	---	---	---
PROJ, 155MM, HE, RAAMS M741,.....	18	21,200	18	21,200	18	21,200	---	---	---	---	---	---
PROJ, 155MM DP BASEBLEED XM864,.....	149	111,677	149	111,677	149	111,677	---	---	---	---	---	---
PROJ, 155M, HE, COPPERHEAD (EA),.....	---	---	---	---	---	---	---	---	---	---	---	---
PROJ, 155MM CHEM GB-2,.....	---	65,957	---	25,000	---	45,900	---	---	---	-20,057	---	+20,900
PROJ, 155MM, TRAINING, M804,.....	121	15,690	121	15,690	121	15,690	---	---	---	---	---	---
CHARGE, PROPELLING, 155MM, RED BAG M203,.....	274	129,663	274	129,663	274	129,663	---	---	---	---	---	---
CHARGE, PROPELLING, M155MM, RED BAG M119,.....	279	29,100	279	29,100	279	29,100	---	---	---	---	---	---
PROJ, 8 IN HE RAP M450,.....	36	37,005	36	37,005	36	37,005	---	---	---	---	---	---
FUZE, MTSO M577/M577A1,.....	75	5,644	75	5,644	75	5,644	---	---	---	---	---	---
FUZE, MTSO M582/M582A1,.....	132	10,329	132	10,329	132	10,329	---	---	---	---	---	---
FUZE, ET XM762,.....	161	23,162	161	23,162	161	23,162	---	---	---	---	---	---

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
PRIMER, PERC.....	362	706	362	706	362	706	---	---	---	---	---	---
TRAINING DEVICE, MINE SYSTEM.....	---	198	---	198	---	198	---	---	---	---	---	---
GROUND IMP MINE SCAT SYS AT M75(MYP).....	24	5,023	24	5,023	24	5,023	---	---	---	---	---	---
CANISTER MINE PRACTICE XM88 (VOLCANO).....	8	2,411	8	2,411	8	2,411	---	---	---	---	---	---
CANISTER MINE (VOLCANO) XM87.....	48	73,902	35	54,602	35	54,602	---	-19,300	---	---	---	---
ROCKET, MTR MK22 F/MICLIC USMC M58A1.....	2,302	7,833	1,955	6,683	2,302	7,833	---	---	---	---	---	---
LINE CHARGE M58A3 (MICLIC).....	3,679	35,724	3,679	35,724	3,679	35,724	---	---	---	---	---	---
MODULAR PACK MINE SYSTEM.....	3,678	33,050	3,678	33,050	3,678	33,050	---	---	---	---	---	---
PURSUIT DERERENT MUNITION (SOF).....	---	---	---	---	---	---	---	---	---	---	---	---
DENOLITION MUNITIONS & OTHER.....	---	22,442	---	22,442	---	12,742	---	-9,700	---	-9,700	---	-9,700
LINEAR SHAPED CHARGE (SOF).....	73,000	2,808	73,000	2,808	73,000	2,808	---	---	---	---	---	---
LIGHTWEIGHT MULTI-PURPOSE WEAPON.....	77	71,564	77	71,564	77	71,564	---	---	---	---	---	---
LIGHT WGT MULTI PURPOSE SYSTEM TRMR.....	5,591	3,253	5,591	3,253	5,591	3,253	---	---	---	---	---	---
HYDRA 70 RKT HE W/M433 RS FUZE.....	39	16,645	39	16,645	39	16,645	---	---	---	---	---	---
HYDRA 70 RKT, NPSM PRAC M267 WHD.....	8	3,786	---	---	---	---	-8	-3,786	---	---	---	---
HYDRA 70 RKT, HE/PD (M451/M423/MK66).....	17	5,191	---	---	---	---	-17	-5,191	---	---	---	---
HYDRA 70 RKT, XM274 SIG PRACTICE.....	154	44,340	154	44,340	154	44,340	---	---	---	---	---	---
GRENADE, ALL TYPES.....	---	6,886	---	6,886	---	6,886	---	---	---	---	---	---
GRENADE LAUNCHER SMK IR SCREENING M76.....	---	---	---	---	---	---	---	---	---	---	---	---
SIGNALS, ALL TYPES.....	---	1,233	---	1,233	---	1,233	---	---	---	---	---	---
SIMULATORS, ALL TYPES.....	---	4,083	---	4,083	---	4,083	---	---	---	---	---	---
MISCELLANEOUS	---	---	---	---	---	---	---	---	---	---	---	---
AMMO COMPONENTS/SUPPORT, ALL TYPES.....	---	27,383	---	27,383	---	27,383	---	---	---	---	---	---
CAD/PAD.....	---	6,778	---	6,778	---	6,778	---	---	---	---	---	---
ITEMS LESS THAN \$2.00 (MISC-AMMO).....	---	10,947	---	10,947	---	10,947	---	---	---	---	---	---

[In thousands of dollars]

	1968 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
SPARES AND REPAIR PARTS.....	--	2,483	--	2,483	--	2,483	--	--	--	--	--	--
AMMUNITION PECULIAR EQUIPMENT.....	--	8,940	--	8,940	--	8,940	--	--	--	--	--	--
NITROGUANIDINE (LB.).....	--	15,767	--	15,767	--	15,767	--	--	--	--	--	--
WAR RESERVE STOCKPILING(EXPL/PROPELLANTS).....	--	35,000	--	--	--	--	--	-35,000	--	--	--	--
AMMO 9MM/VELT.....	--	2,781	--	2,781	--	2,781	--	--	--	--	--	--
HQST NATION SUPPORT.....	--	29,105	--	29,105	--	29,105	--	-29,105	--	-29,105	--	-29,105
UNALLOCATED INCREASE.....	--	--	--	176,575	--	--	--	--	--	-176,575	--	-176,575
TOTAL, AMMUNITION.....	--	1,727,454	--	1,771,217	--	1,591,203	--	-136,251	--	-180,014	--	-180,014
AMMUNITION PRODUCTION BASE SUPPORT												
PRODUCTION BASE SUPPORT												
PROVISION OF INDUSTRIAL FACILITIES.....	--	172,831	--	147,431	--	172,831	--	--	--	--	--	425,400
COMPONENTS FOR PROVE-OUT.....	--	14,403	--	14,403	--	14,403	--	--	--	--	--	--
LAYAWAY OF INDUSTRIAL FACILITIES.....	--	19,623	--	19,623	--	19,623	--	--	--	--	--	--
RDX FACILITY.....	--	--	--	--	--	80,000	--	480,000	--	480,000	--	480,000
JEFFERSON PROVING GROUND MODERNIZATION.....	--	993	--	993	--	993	--	--	--	--	--	--
CLASSIFIED PROGRAMS.....	--	72,496	--	72,496	--	72,496	--	--	--	--	--	--
TOTAL, AMMUNITION PRODUCTION BASE SUPPORT.....	--	280,346	--	254,946	--	360,346	--	480,000	--	480,000	--	480,000
TOTAL, PROCUREMENT OF AMMUNITION, ARMY.....	--	2,007,800	--	2,026,163	--	1,951,549	--	-56,251	--	-74,614	--	-74,614

HOUSE REDUCTIONS

The Committee agrees with the following reductions proposed in the House report:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
7.62 mm all types.....	37,325	29,400	- 7,921
40 mm all types.....	30,643	8,443	- 22,200
105 mm TP-T.....	14,893		- 14,893
Volcano mine.....	73,902	54,602	- 19,300
War reserve explosives.....	35,000		- 35,000

The above reductions are primarily the result of the annual review of munitions procurement programs performed by the General Accounting Office. The Committee commends the GAO for their work this year and contribution to the Committee's budget review.

COMMITTEE RECOMMENDED ADJUSTMENTS

155 mm chemical projectile.—The Committee agrees with the authorization conference recommendation of \$45,900,000, a reduction of \$20,057,000 from the budget request.

Demolition munitions.—The Committee recommends \$22,442,000, a reduction of \$9,700,000 in the request. The General Accounting Office identified delays in the production of components preventing scheduled deliveries of the fiscal year 1989 program.

Hydra 70 rockets.—Joint service production of 2.75 inch rockets has been adversely impacted by an industrial accident at the Radford Army Ammunition plant. The Committee has deferred funding for the M-267 and high explosive versions of the Hydra 70 rocket for the Army because of production limits for fiscal year 1989.

Host nation support.—The Committee denies the request of \$29,105,000. The Army plans to provide these funds to the Government of the Federal Republic of Germany to purchase munitions produced in West Germany to support West German reserve units. Recognizing the substantial unused munitions production base in the United States, and the fiscal constraints on ammunition procurement by the Army, the Committee disagrees with this transfer of funds to support allied reserve component forces.

XM-900E1 105 mm round.—The Committee recommends \$30,906,000 to support low rate initial production [LRIP] of the Army's improved depleted uranium penetrator round for M-60A3 and M-1 tanks. This new round is scheduled for type classification in 1989. None of the funds provided for initial production of this round should be obligated until the Army has reported to the House and Senate Committees on Appropriations completion of the type classification for the XM-900E1. The Committee disagrees with the House report proposing interim acquisition of an Israeli kinetic energy round until the XM-900E1 is approved for procurement.

XM-762 electronic fuze.—The Committee recommends the request of \$23,162,000. The Committee understands that operational testing of the XM-762 fuze has been delayed as the Army works to solve technical problems identified during the testing program. No funds should be obligated for procurement of the XM-762 until the Army has reported the results of the current test program to the House and Senate Committees on Appropriations.

Tactical explosives system.—The Committee agrees with the House report endorsing the progress made by the Army to proceed with the competitive testing for the tactical explosives system [TEXS]. The Committee believes that cost and safety should be carefully considered as factors in the Army's selection of a system, including all aspects of the deployment and handling of demolition material and equipment

PRODUCTION BASE SUPPORT

Provision of industrial facilities.—The Committee recommends the request of \$172,831,000. From within the funds appropriated for the provision of industrial facilities, \$3,000,000 will be available for the upgrade of government owned equipment to provide a second qualified source for metal parts for the M-829E1 120 mm tank round. Additionally, \$9,500,000 will be available for mobilization base upgrade work at the Badger Army Ammunition Plant.

RDX facility.—The Committee recommends \$80,000,000 to complete initial construction and equipment installation funding for the RDX facility. The Congress appropriated \$262,700,000 for fiscal year 1988 to begin work on this new facility to meet critical Army requirements for explosives. The Army has further defined the requirements and acquisition strategy for the RDX facility. The Committee has reviewed the updated Army plans for this project, and believes this additional appropriation will permit the Army to execute a contract with full funding for the basic facility. The Committee endorses the Army's plan for turn-key development, construction, and delivery, on a firm fixed price contract. The design plans should integrate a multiline production capability, insuring the Army flexibility to meet changing production requirements. The Committee understands that delivery of the completed facility will be under a full warranty by the contractor.

Ammunition production base issues.—In the fiscal year 1988 Defense Appropriations Act, the Committee joined the House in expressing concern over the future of the ammunition production base in the United States. The Committee hopes that the Department of Defense recognizes the importance of this issue, and that their report will be a serious review of our production requirements and capabilities. Again for fiscal year 1989, the Committee attaches special attention to this matter. As the Department of Defense proceeds to comply with authorization direction to identify unnecessary military installations, consideration should be given to consolidating and upgrading government munitions facilities. The Committee advocates the policy of focusing resources to maintain a mobilization base to meet today's ammunition requirements,

not simply perpetuating outdated facilities unlikely to be called upon to meet national requirements.

GOCO competition.—The Committee supports the Army's initiative to compete the management contracts for government owned, contractor operated [GOCO] ammunition plants as a means to maximize cost efficiency.

The primary cost element for operation of GOCO plants is the labor rate, as capital plant and facility costs have been assumed by the government and are now sunk costs. Consequently, the most constructive use of a competitive strategy for GOCO operations is when there has been evidence of failure to perform the contractual task or in cases where labor rates are inexplicably higher than considered reasonable. Assuming stable labor rates among competitors, the margin of variance should be minimal except in these instances.

Given these cost conditions, it is the opinion of the Committee that competition may produce only limited savings except when there is evidence of failure to perform or overpricing. The Committee expects the Army to use this criteria as a guideline to compete GOCO operations.

HOUSE RESTORED ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
5.56 mm all types.....	57,139	78,239	57,139
4.2-inch mortar HE.....	20,000		20,000
4.2-inch mortar illumination.....	37,345		37,345
120 mm mortar HE.....		17,800	
120 mm mortar illumination.....		15,700	
M-42/M-46 grenades.....		13,000	
155 mm smoke round.....	19,459	4,459	19,459
MICLIC line charge.....	7,833	6,683	7,833
General increase.....		176,175	

OTHER PROCUREMENT, ARMY

1988 appropriation.....	\$5,093,549,000
1989 budget estimate.....	4,774,000,000
House allowance.....	4,655,837,000
Committee recommendation.....	4,434,696,000

The Committee recommends an appropriation of \$4,434,696,000, a decrease of \$339,304,000 below the President's budget and \$221,141,000 less than the House allowance.

This appropriation finances the acquisition of: (a) tactical and commercial vehicles including trucks, semitrailers, and trailers of all types to provide mobility to field forces and the Army logistical system; (b) communications and electronics equipment of all types to provide fixed, semifixed, and mobile strategic and tactical communications equipment;

(c) other support equipment such as chemical defensive equipment, tactical bridging, maintenance shop sets, construction equipment, floating and rail equipment, generators and power units, material handling equipment, medical support equipment, special equipment for user testing, and nonsystem training devices. In each of these activities, funds are also included for modification of in-service equipment, investment spares and repair parts, and production base support.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount		Qty.	Amount		Qty.	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(8)	(9)	(10)
OTHER PROCUREMENT, ARMY												
TACTICAL AND SUPPORT VEHICLES												
TACTICAL VEHICLES												
TACTICAL TRAILERS/DOLLY SETS.....	--	21,697		--	21,697		--	21,697		--	--	--
MOTORCYCLE, GED, 2W, ROUGH TERRAIN.....	1,138	4,271		--	--		--	--		-4,271	--	--
SEMITRAILER FB BB/CONT TRANS 22 1/2 T.....	1,720	25,764		1,720	25,764		1,720	25,764		--	--	--
SEMITRAILER FB BB/CONT TR 34T MB72 C/S.....	68	2,069		68	2,069		68	2,069		--	--	--
SEMITRAILER LB 40T MB70A1 (CCE).....	318	6,601		318	6,601		318	6,601		--	--	--
SEMITRAILER, TANK, 5000G.....	341	21,477		341	21,477		341	21,477		--	--	--
SEMITRAILER, TANK, 7500G, BULKHAUL.....	328	10,246		328	10,246		328	10,246		--	--	--
SEMITRAILER VAN ELECTRONIC 3-6T 2W M373A2.....	209	6,009		209	6,009		209	6,009		--	--	--
HI MOB MULTI-PURP WILD VEN (HMMWV)(HYP).....	6,360	158,415		6,360	158,415		6,360	158,415		--	--	--
SMALL UNIT SUPPORT VEHICLE (SUSV).....	51	8,794		--	--		51	8,794		--	451	48,794
TRUCK, 5T, 6X6, ART (HYP).....	3,104	224,454		3,104	224,454		3,104	224,454		--	--	--
HEAVY EQUIP TRANSPORTER.....	153	46,489		153	46,489		--	--		-153	-46,489	-46,489
TRUCK, 10T, 8X8, ART.....	1,523	239,300		1,523	239,300		1,523	239,300		--	--	--
TRUCK, TRACTOR, LINE HAUL, M915A1.....	288	23,151		288	23,151		288	23,151		--	--	--
MODIFICATION OF IN-SERVICE EQUIPMENT.....	--	100		--	100		--	100		--	--	--
SHOP EQUIPMENT, AUTO MAINT & REP.....	211	1,872		211	1,872		211	1,872		--	--	--
ITEMS LESS THAN \$2.0K (TAC VEH).....	--	569		--	569		--	569		--	--	--
NON-TACTICAL VEHICLES												
PASSENGER CARRYING VEHICLES.....	185	2,197		185	2,197		185	2,197		--	--	--
GENERAL PURPOSE VEHICLES.....	23	1,286		23	1,286		23	1,286		--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)
TRUCK, CARGO, PICKUP, 4X2.....	45	400	45	400	45	400	---	---	---	---	---	---
TRUCK, CARRYALL.....	21	300	21	300	21	300	---	---	---	---	---	---
SPECIAL PURPOSE VEHICLES.....	783	13,824	783	13,824	783	13,824	---	---	---	---	---	---
SUPPORT EQUIPMENT AND FACILITIES												
SPARES AND REPAIR PARTS.....	--	75,696	--	42,696	--	42,696	--	-33,000	--	---	--	---
PRODUCTION BASE SUPPORT (TAC).....	--	690	--	690	--	690	--	---	--	---	--	---
TOTAL, TACTICAL AND SUPPORT VEHICLES.....		895,671		849,606		811,911		-83,760		-37,695		---
COMMUNICATIONS AND ELECTRONICS EQUIPMENT												
TELECOMM EQUIP - READ CHD COMM												
JOSE EQUIPMENT (CINCFOR).....	--	43,029	--	43,029	--	43,029	--	---	--	---	--	---
CLASSIFIED PROJECT 9NW.....	--	7,627	--	7,627	--	7,627	--	---	--	---	--	---
TELECOMM EQUIP - JOINT TACTICAL COMM PR												
TRI-TAC EQUIPMENT.....	--	115,731	--	110,000	--	110,000	--	-5,731	--	---	--	---
MOB SUBSCRIBER EQUIP.....	--	995,700	--	995,700	--	995,700	--	---	--	---	--	---
MOD OF IN-SVC EQ (TRI-TAC).....	--	23,077	--	23,077	--	23,077	--	---	--	---	--	---
TELECOMM EQUIP-COMBAT SUPPORT COMM												
SINGGARS FAMILY.....	--	267,177	--	267,177	--	222,877	--	-44,300	--	-44,300	--	-44,300
VEHICLE INTERCOM SYSTEM (VTS).....	--	---	--	10,000	--	---	--	---	--	---	--	-10,000
IMP HF RADIO FAMILY.....	--	---	--	---	--	---	--	---	--	---	--	---

[in thousands of dollars]

1988 budget			1988 House		Committee recommendation		Senate compared to—		
Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
OPTICAL LONG HAUL TRAN SYS.....	---	---	---	---	---	---	---	---	---
POWER SUPPLY, PP-6148/U (SOF).....	---	---	---	---	---	---	---	---	---
SOF MOD RADIOS (SOF).....	6,334	---	6,334	---	6,334	---	---	---	---
ANTENNA GROUP OE-254.....	---	---	---	---	---	---	---	---	---
SMALL UNIT TRANSCEIVER.....	2,894	2,894	4,692	2,894	4,692	---	---	---	---
SMALL UNIT TRANSCEIVER (SOF).....	61	61	99	61	99	---	---	---	---
MOD OF IN-SVC EQUIP (CSC).....	---	---	6,303	---	6,303	---	---	---	---
SWASTA COMM INFRASTRUCTURE.....	---	---	11,513	---	11,513	---	---	---	---
ITEMS LESS THAN \$2.0M (CSC-C-E).....	---	---	2,728	---	2,728	---	---	---	---
SOF ITEMS UNDER \$2.0 MILLION (CSC-C-E).....	---	---	1,000	---	1,000	---	---	---	---
TELECOMM EQUIP - STARCOM NON-DCS									
AR TELECOM AUTO PR (ATCAP).....	---	---	4,573	---	4,573	---	---	---	---
C-E FACILITIES/PROJECTS.....	---	---	2,912	---	2,912	---	---	---	---
SOUTHCOM C3 UPGRADE.....	---	---	---	---	---	---	---	---	---
LONG-HAUL COM (DCS)									
TELECOMM EQUIP - SATCOM-GRD ENVIRON									
DIGITAL EQUIPMENT (DSCS).....	---	---	7,000	---	7,000	---	---	---	---
INTERCONNECT FACILITY (DSCS).....	---	---	3,000	---	3,000	---	---	---	---
JAN RESISTANT SECURE COM (JRSC).....	---	---	3,000	---	3,000	---	---	---	---
DSCS OPERATIONS CONTROL SYS (DSCS).....	---	---	42,442	---	42,442	---	---	---	---
MOD IN-SVC EQUIP (DSCS).....	---	---	3,300	---	3,300	---	---	---	---
MPK SAT UNF TERM, AN/PSC-3 (SOF).....	52	52	1,291	52	1,291	---	---	---	---
VEH SAT UNF TERM, AN/VSC-7 (SOF).....	16	16	588	16	588	---	---	---	---

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
SINGLE CHANNEL OBJECT TACT TERM (SCOTT).....	18	55,100	18	41,500	15	36,500	—	—	—	—	—	—
MOD IN-SVC EQUIP (TAC SAT).....	—	3,422	—	3,422	—	3,422	—	—	—	—	—	—
TELECOMM EQUIP - EUCOM C3 SYSTEM												
EUCOM C3 (NWS).....	—	—	—	—	—	—	—	—	—	—	—	—
PACOM C3(NWS).....	—	—	—	—	—	—	—	—	—	—	—	—
USAREUR TACTICAL COMD & CONTROL SYS(UTACCS).....	—	5,845	—	5,845	—	5,845	—	—	—	—	—	—
TELECOMM EQUIP - COMSEC EQUIPMENT												
IFF COMSEC.....	—	4,791	—	4,791	—	4,791	—	—	—	—	—	—
TRUNK ENCRYPTION DEVICES (TED).....	—	6,626	—	6,626	—	6,626	—	—	—	—	—	—
BATTLEFIELD ELEC COEI SYS (BECS).....	—	22,903	—	11,000	—	11,000	—	—	—	—	—	—
AUTO KEY DC KGX-93/TSEC.....	—	978	—	978	—	978	—	—	—	—	—	—
SEC VO IMPRV PRG (COMSEC).....	—	22,700	—	22,700	—	22,700	—	—	—	—	—	—
DED LOOP ENCRYP DEV KG-84.....	—	8,621	—	8,621	—	8,621	—	—	—	—	—	—
ADDS COMSEC KEY GENERATOR (KG-87).....	—	294	—	294	—	294	—	—	—	—	—	—
COMSEC MODILE, TSEC/KGV-13.....	—	6,160	—	6,160	—	6,160	—	—	—	—	—	—
FRED MODILE, KGV-10/TSEC.....	31,395	10,837	31,395	10,837	31,395	10,837	—	—	—	—	—	—
TEMPEST (COMSEC).....	—	—	—	—	—	—	—	—	—	—	—	—
ADDS COMSEC KOK-13.....	—	98	—	98	—	98	—	—	—	—	—	—
TSEC/KGV-11/SECURE MODULE.....	—	—	—	—	—	—	—	—	—	—	—	—
ITEMS UNDER \$2.0 MILLION (COMSEC).....	—	3,125	—	3,125	—	3,125	—	—	—	—	—	—
ITEMS UNDER \$2.0 MILLION (COMSEC) SOF.....	—	200	—	200	—	200	—	—	—	—	—	—
TELECOMM EQUIP - BASE COMM												
INFORMATION SYSTEMS CONUS/WESTERN HEMISPHERE.....	—	14,058	—	14,058	—	14,058	—	—	—	—	—	—

[In thousands of dollars]

	1988 budget		1988 House		Committee recommendation		Senate compared to—			
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
INFORMATION SYSTEMS (EUCOM).....	--	3,890	--	3,890	--	3,890	--	--	--	--
INFORMATION SYSTEMS (PACOM).....	--	7,018	--	7,018	--	7,018	--	--	--	--
THDE FOR TELECOMH										
CALIBRATION SETS EQUIPMENT.....	--	21,852	--	21,852	--	21,852	--	--	--	--
THDE MODERNIZATION.....	--	16,826	--	16,826	--	16,826	--	--	--	--
OTHER ELECT SYS/EQUIP - INTELLIGENCE										
4TH PSYOP GROUP (SOF).....	--	11,245	--	11,245	--	11,245	--	--	--	--
ALL SOURCE ANALYSIS SYSTEM (ASAS)-TIARA.....	--	23,143	--	23,143	--	23,143	--	--	--	--
SINGLE SOURCE PROCESSOR - SIGINT.....	--	4,610	--	4,610	--	4,610	--	--	--	--
HIGH FREQUENCY COMINT SYSTEM (HF COMINT).....	1	27,156	1	27,156	1	27,156	--	--	--	--
COMMANDERS TACTICAL TERMINAL.....	--	22,980	--	5,500	--	9,000	--	-13,980	--	+3,500
TAC ELEC SURV SYS.....	--	4,693	--	--	--	4,693	--	--	--	+4,693
HANPACK RADIO SYSTEM (HRDFS).....	42	11,930	42	11,930	42	11,930	--	--	--	--
MOD IN-SVC ED (INT SPT) TIARA.....	--	38,192	--	38,192	--	38,192	--	--	--	--
ITEMS LESS THAN \$2.0M (INT SPT-C-E).....	--	675	--	675	--	675	--	--	--	--
FT DEVENS TRAINING SUPPORT.....	--	--	--	--	--	--	--	--	--	--
TROJAN.....	--	4,470	--	4,470	--	4,470	--	--	--	--
ITEMS LESS THAN \$2.0M (FCI/S&IA-C-E).....	--	588	--	588	--	588	--	--	--	--
OTHER ELECT SYS/EQUIP - GEN DEF INTEL										
INTEL DATA HANDLING SYS (IDHS).....	--	16,305	--	31,068	--	16,305	--	--	--	-14,763
ITEMS LESS THAN \$2.0M (GDIP-C-E).....	--	1,300	--	--	--	1,300	--	--	--	+1,300

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
OTHER ELECT SYS/EQUIP - AUTO DATA PROC												
STARNET/VIALE.....	--	9,041	--	2,000	--	2,000	--	--	--	-7,041	--	--
AWC INFORMATION PROCESSING EQUIPMENT.....	--	25,723	--	13,023	--	13,023	--	--	--	-12,700	--	--
ADV FIELD ARTILLERY TACT DATA SYS.....	--	57,715	--	--	--	--	--	--	--	-57,715	--	--
LTACFIRE.....	--	--	--	13,200	--	--	--	--	--	--	--	-13,200
ARMY DATA DISTRIBUTION SYSTEM-ADDS.....	--	74,491	--	74,491	--	74,491	--	--	--	--	--	--
TRADOC AUTOMATION.....	--	467	--	467	--	467	--	--	--	--	--	--
LIFE CYCLE SOFTWARE SUP. (LCSS).....	--	9,240	--	9,240	--	9,240	--	--	--	--	--	--
SUPERCOMPUTERS.....	--	--	--	--	--	--	--	--	--	--	--	--
EUSA-C3I INITIATIVES.....	--	8,605	--	8,605	--	8,605	--	--	--	--	--	--
NO AUTOMATION SYSTEMS.....	--	9,206	--	9,206	--	9,206	--	--	--	--	--	--
MEDICAL AUTOMATION SYSTEMS.....	--	1,564	--	1,564	--	1,564	--	--	--	--	--	--
PERSONNEL AUTOMATION SYSTEMS.....	--	11,288	--	11,288	--	11,288	--	--	--	--	--	--
TRAINING AUTOMATION SYSTEMS.....	--	--	--	--	--	--	--	--	--	--	--	--
LOGISTICS AUTOMATION SYSTEMS.....	--	7,433	--	7,433	--	7,433	--	--	--	--	--	--
RESERVE COMPONENT AUTOMATION SYSTEMS (RCAS).....	--	34,700	--	34,700	--	12,500	--	--	--	-22,200	--	-22,200
FORWARD ENTRY DEVICE.....	--	17,800	--	17,800	--	17,800	--	--	--	--	--	--
MANUEVER CONTROL SYS.....	--	9,681	--	9,681	--	9,681	--	--	--	--	--	--
CORPS/THEATER ADP SVC CTR (CTASC).....	--	7,601	--	7,601	--	7,601	--	--	--	--	--	--
TACT ARMY CMBT COMPT SY(TACCS).....	65	1,349	65	1,349	65	23,549	--	--	--	+22,200	--	+22,200
POSITIVE HOSTILE ID.....	--	9,000	--	--	--	--	--	--	--	-9,000	--	--
CSS LOG APPLC AUTO MARK/READ SYMBS(LOG MAR).....	--	7,533	--	7,533	--	7,533	--	--	--	--	--	--
WMCCS INFORMATION SYSTEM (WIS).....	--	18,329	--	18,329	--	18,329	--	--	--	--	--	--
AUDIO VISUAL												
AFRTS (AUDIO VISUAL).....	--	5,258	--	5,258	--	5,258	--	--	--	--	--	--

[In thousands of dollars]

	1980 budget			1980 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
ITEMS LESS THAN \$2.0 (A/U-C-E).....	--	5,169	--	5,169	--	5,169	--	--	--	--	--	--
TACTICAL ELEC NEWS GATHERING EQUIP.....	--	1,956	--	1,956	--	1,956	--	--	--	--	--	--
OTHER ELECT SYS/EQUIP - ELECT WARFARE												
TACTICAL DECEPTION (TAC-D).....	--	4,791	--	4,791	--	4,791	--	--	--	--	--	--
MOD IN-SVC EQUIP (EW).....	--	11,343	--	11,343	--	11,343	--	--	--	--	--	--
ITEMS LESS THAN \$2.0M (EW-C-E).....	--	880	--	880	--	880	--	--	--	--	--	--
OTHER ELECT SYS/EQUIP - TACTICAL ELEC												
BATTERY CHARGER PP-7286/U.....	--	--	--	--	--	--	--	--	--	--	--	--
POWER SUPPLY, PP-6224.....	1,938	3,200	1,938	3,200	1,938	3,200	--	--	--	--	--	--
COMPUTER/INDICATOR, CP-696/PD.....	1,260	6,400	1,260	6,400	1,260	6,400	--	--	--	--	--	--
METEOROLOGICAL DATA SYS (FAMAS).....	5	4,000	5	4,000	5	4,000	--	--	--	--	--	--
PHYSICAL SECURITY EQUIPMENT.....	--	16,272	--	16,272	--	16,272	--	--	--	--	--	--
FACILITY INTRUSION DETECTION SYSTEM.....	6	10,316	6	10,316	6	10,316	--	--	--	--	--	--
NAVSTAR USER EQUIPMENT.....	--	14,783	--	14,783	--	14,783	--	--	--	--	--	--
POSITION AZIMUTH DETERMINING SYS (PADS).....	74	15,400	74	15,400	74	15,400	--	--	--	--	--	--
NIGHT VISION GOGGLES.....	--	35,100	--	138,100	--	138,100	--	+83,000	--	--	--	--
AIMING LIGHT INFRARED, AN/PAG-4.....	--	1,956	--	1,956	--	1,956	--	--	--	--	--	--
NIGHT VISION SIGHT INDIV WPN AN/PVS-4.....	5,350	14,100	5,350	14,100	5,350	14,100	--	--	--	--	--	--
RADIAC SET AN/VDR-2.....	1,441	2,862	1,441	2,862	1,441	2,862	--	--	--	--	--	--
MULTI RADAR TRANSPONDER BECON (SOF).....	57	4,401	57	4,401	57	4,401	--	--	--	--	--	--
JOINT STARS (ARRY).....	--	37,860	--	--	--	--	--	-37,860	--	--	--	--
ELECTRONIC MAINTENANCE SHOPS.....	--	3,716	--	3,716	--	3,716	--	--	--	--	--	--
TEST SET, RADAR, AN/TPN-25.....	--	--	--	--	--	--	--	--	--	--	--	--
MODIFICATION OF IN-SERVICE EQ (TAC EL).....	--	26,700	--	26,700	--	26,700	--	--	--	--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount		Qty.	Amount		Qty.	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)	(7)	(8)	(9)	(10)
OTHER ELECT SYS/EQUIP - TACTICAL ELEC.....	--	6,356		--	6,356		--	6,356	--	--	--	--
TMDE FOR TACTICAL ELECTRONICS												
INTERMEDIATE FORWARD TEST EQUIP.....	--	34,914		--	34,914		--	34,914	--	--	--	--
TMDE FOR STE/ICE.....	300	1,761		300	1,761		300	1,761	--	--	--	--
CORE ELECTRONIC AUTO TEST (STE-X).....	--	--		--	--		--	--	--	--	--	--
SIMPLIFIED TEST EQUIP (ICE/EXPANDABLE).....	39	2,737		39	2,737		39	2,737	--	--	--	--
OTHER ELECT SYS/EQUIP - SUP ED AND FAC												
SPARES AND REPAIR PARTS.....	--	344,403		--	330,365		--	325,000	--	-19,403	--	-5,365
SPECIAL PROGRAMS.....	--	73,534		--	73,534		--	63,534	--	-10,000	--	-10,000
PRODUCTIVITY INVESTMENT FUNDING.....	--	--		--	--		--	--	--	--	--	--
PR ENH CAP INV PR/ONK RT INV PR(PICIP/ORIP).....	--	7,100		--	7,100		--	7,100	--	--	--	--
PRODUCTION BASE SUPPORT (C-E).....	--	7,400		--	7,400		--	7,400	--	--	--	--
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT.....		2,981,181			2,909,083			2,815,948		-165,233		-93,135
OTHER SUPPORT EQUIPMENT												
CHEMICAL DEFENSIVE EQUIPMENT												
DECONTAMINATE APP PWR DR LT WT XM17.....	298	5,017		298	5,017		298	5,017	--	--	--	--
MASK, PROTECTIVE, NBC.....	--	5,700		--	5,700		--	4,500	--	-1,200	--	-1,200
CHEMICAL AGENT MONITOR.....	1,497	9,779		1,497	9,779		1,497	9,779	--	-9,779	--	-9,779
SINP COLL PROT EQUIP XM20.....	580	4,747		580	4,747		580	4,747	--	--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)	House amount (10)		
BRIDGING EQUIPMENT												
RIBBON BRIDGE ERECTION BOAT.....	--	--	--	--	--	--	--	--	--	--	--	
BRIDGE, FLOAT-RIBBON, INTERIOR BAY.....	--	--	--	--	--	--	--	--	--	--	--	
BRIDGE, FLOAT-RIBBON, RAMP.....	--	--	--	--	--	--	--	--	--	--	--	
BRIDGE, FLOAT-RIBBON, TRANSPORTER.....	--	--	--	--	--	--	--	--	--	--	--	
ITEMS LESS THAN \$2.0K(BRIDGING).....	--	693	--	693	--	693	--	--	--	--	--	
ENGINEER (NON-CONSTRUCTION) EQUIPMENT												
DISPENSER MINE XM139.....	64	5,043	64	5,043	64	5,043	--	--	--	--	--	
MIXING AND PUMPING UNIT (TEXS).....	--	--	--	--	--	--	--	--	--	--	--	
MARKING SYS, CLEAR LANE.....	47	1,768	47	1,768	47	1,768	--	--	--	--	--	
DETECTING SET, MINE, AN/PSS-12.....	4,523	3,758	4,523	3,758	4,523	3,758	--	--	--	--	--	
MINE PLOW(BLADE).....	140	8,293	140	8,293	140	8,293	--	--	--	--	--	
MINE CLEARING ROLLER.....	23	1,413	23	1,413	23	1,413	--	--	--	--	--	
CONTROL REMOTE LANDMINE SYSTEM XM71.....	--	--	--	--	--	--	--	--	--	--	--	
M-9 ARMORED COMBAT EARTHMOVER (ACE).....	132	61,982	132	61,982	132	61,982	--	--	--	--	--	
ITEMS LESS THAN \$2.0K(ENG NON-CONST).....	--	1,323	--	1,323	--	1,323	--	--	--	--	--	
COMBAT SERVICE SUPPORT EQUIPMENT												
AIR CONDITIONERS VARIOUS SIZE/CAPACITY.....	--	9,822	--	9,822	--	9,822	--	--	--	--	--	
FIELD KITCHEN, MODIBLE, TRL MTD.....	952	15,822	952	15,822	952	15,822	--	--	--	--	--	
MODULAR FIELD KITCHEN.....	73	1,978	73	1,978	73	1,978	--	-1,978	--	-1,978	--	
DIVING EQUIPMENT.....	--	2,868	--	2,868	--	2,868	--	--	--	--	--	
FIRETRUCKS.....	--	4,646	--	4,646	--	4,646	--	--	--	--	--	
HEATER DUCT TYPE, 250,000/400,000 BTU.....	424	1,978	424	1,978	424	1,978	--	--	--	--	--	
LAUNDRY UNIT/TRL MTD.....	87	5,933	87	5,933	87	5,933	--	--	--	--	--	

[In thousands of dollars]

	1989 budget			1988 House			Committee recommendation			Senate compared to—			House amount (10)
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)				
TAG PRINTING AND BINDING EQUIPMENT.....	--	2,600	--	2,600	--	2,600	--	--	--	--	--		
PRINT PLANT, SW TRANSPORTABLE.....	--	--	--	--	--	--	--	--	--	--	--		
ITEMS LESS THAN \$2.0M (CSS-ED).....	--	13,079	--	13,079	--	13,079	--	--	--	--	--		
ITEMS UNDER \$2.0 MILLION (CSS-EQ) SDF.....	--	40	--	40	--	40	--	--	--	--	--		
MOD IN-SVC EQUIP (CSE).....	--	664	--	664	--	664	--	--	--	--	--		
PETROLEUM EQUIPMENT													
TANK ASSEMBLY FAB COLL POL 50000 GAL.....	340	3,659	340	3,659	340	3,659	--	--	--	--	--		
TANK ASSEMBLY FAB COLL POL 10000 GAL.....	634	5,636	634	5,636	634	5,636	--	--	--	--	--		
TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING.....	537	5,143	537	5,143	537	5,143	--	--	--	--	--		
LABORATORY, PETROLEUM, SEMI-TLR MTD.....	2	1,582	2	1,582	2	1,582	--	--	--	--	--		
PUMP ASSY LIQ GAS WHL 4 IN OUT 350 GPM.....	--	--	--	--	--	--	--	--	--	--	--		
SWA PETROLEUM DISTRIBUTION SYSTEM.....	--	39,022	--	39,022	--	39,022	--	--	--	--	--		
ITEMS LESS THAN \$2.0M (POL).....	--	3,185	--	3,185	--	3,185	--	--	--	--	--		
WATER EQUIPMENT													
WATER PURIF UNIT REV OS 3000 GPH.....	30	11,700	30	11,700	30	11,700	--	--	--	--	--		
WATER PUR UNIT REV OS 3000 GPH TRK MTD.....	--	--	--	--	--	--	--	--	--	--	--		
WATER PUR UNIT REV OSMOSIS 600GPH.....	--	--	--	--	--	--	--	--	--	--	--		
TACTICAL WATER DISTR SYS.....	--	--	--	--	--	--	--	--	--	--	--		
TANK FABRIC COLL MTR 3000 GAL (UNION).....	1,349	2,373	1,349	2,373	1,349	2,373	--	--	--	--	--		
PUMP CENTRIFUGAL, 65GPM.....	--	--	--	--	--	--	--	--	--	--	--		
ITEMS LESS THAN \$2.0M (WATER EQ).....	--	3,066	--	3,066	--	3,066	--	--	--	--	--		
MEDICAL EQUIPMENT													
COMBAT SUPPORT MEDICAL EQUIPMENT.....	--	106,992	--	106,992	--	106,992	--	--	--	--	--		
MEDICAL SUPPORT EQUIPMENT.....	--	58,300	--	58,300	--	58,300	--	--	--	--	--		

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
MAINTENANCE EQUIPMENT												
WELDING SHOP, TRAILER MTD.....	171	4,351	171	4,351	171	4,351	---	---	---	---	---	---
SHOP ED ELECTRICAL RPR SEMI-TRL MTD.....	--	500	--	500	--	500	---	---	---	---	---	---
STEAM CLEANER.....	--	---	--	---	--	---	---	---	---	---	---	---
SHOP ED, CANVAS AND GLASS SHELTER.....	--	---	--	---	--	---	---	---	---	---	---	---
ITEMS LESS THAN \$2.0M (MAINT ED).....	--	1,286	--	1,286	--	1,286	---	---	---	---	---	---
CONSTRUCTION EQUIPMENT												
DISTRIBUTER, WATER SP MIN 2500G SEC.....	--	---	--	---	--	---	---	---	---	---	---	---
DIST, WATER, 6000G, SEMI-TRL MTD (CCE).....	--	---	--	---	--	---	---	---	---	---	---	---
SMALL EMPLACEMENT EXCAVATOR (SEE).....	332	32,588	332	32,588	332	32,588	---	---	---	---	---	---
MOD IN-SVC ED (CONST EQUIP).....	--	198	--	198	--	198	---	---	---	---	---	---
ITEMS LESS THAN \$2.0M (CONST EQUIP).....	--	11,290	--	11,290	--	11,290	---	---	---	---	---	---
RAIL FLOAT CONTAINERIZATION EQUIPMENT												
LANDING, CRAFT, UTILITY.....	12	46,700	12	46,700	12	46,700	---	---	---	---	---	---
CAUSEWAY SYSTEMS.....	--	2,966	--	2,966	--	2,966	---	---	---	---	---	---
MOD IN-SVC ED (FLOAT/RAIL).....	--	3,254	--	3,254	--	3,254	---	---	---	---	---	---
ITEMS LESS THAN \$2.0M (FLOAT/RAIL).....	--	2,966	--	2,966	--	2,966	---	---	---	---	---	---
GENERATORS												
GENERATORS AND ASSOCIATED EQUIP.....	--	29,637	--	29,637	--	29,637	---	---	---	---	---	---
MATERIAL HANDLING EQUIPMENT												
TRUCK, FORK LIFT, CBD, PT, 4000 LB.....	--	---	--	---	--	---	---	---	---	---	---	---
TRUCK, FORK LIFT, DE, PT, RT, 6000 LB.....	271	21,459	271	21,459	271	21,459	---	---	---	---	---	---

[in thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
TRUCK, FORK LIFT, DE, PT, RT, 4000 LB.....	---	---	---	---	---	---	---	---	---	---	---	---
65 TON CRANE.....	30	6,276	30	6,276	30	6,276	---	---	---	---	---	---
ITEMS LESS THAN \$2.0K (NHE).....	---	1,187	---	1,187	---	1,187	---	---	---	---	---	---
SPARES AND REPAIR PARTS.....	---	48,209	---	48,209	---	48,209	---	---	---	---	---	---
AREA ORIENTED DEPOT UPGRADE.....	---	4,000	---	4,000	---	4,000	---	---	---	---	---	---
PRODUCTION BASE SUPPORT (OTH).....	---	6,095	---	6,095	---	6,095	---	---	---	---	---	---
OSD PRODUCTIVITY INVESTMENT FUNDING.....	---	23,379	---	23,379	---	3,379	---	-20,000	---	-20,000	---	-20,000
SPECIAL EQUIPMENT FOR USER TESTING.....	---	14,833	---	14,833	---	14,833	---	---	---	---	---	---
HOST NATION SUPPORT - EUROPE.....	---	57,354	---	57,354	---	---	---	-57,354	---	-57,354	---	-57,354
NATIONAL TRAINING CTR SUP.....	---	25,687	---	25,687	---	25,687	---	---	---	---	---	---
TRAINING DEVICES, NONSYSTEM.....	---	103,799	---	103,799	---	103,799	---	---	---	---	---	---
NON-CENTRALLY MANAGED ITEMS.....	---	39,530	---	39,530	---	19,530	---	-20,000	---	-20,000	---	-20,000
SIMULATION NETWORK (SINNET).....	---	---	---	---	---	20,000	---	+20,000	---	+20,000	---	+20,000
PRIOR YEAR TRANSFER.....	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL, OTHER SUPPORT EQUIPMENT.....	---	897,148	---	897,148	---	806,837	---	-90,311	---	-90,311	---	-90,311
TOTAL, OTHER PROCUREMENT, ARMY.....	---	4,774,000	---	4,655,837	---	4,434,696	---	-339,304	---	-339,304	---	-221,141

AUTHORIZATION REDUCTIONS

The Committee recommends the following reductions in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
AMC info systems.....	25,723	13,023	- 12,700
AFATDS.....	57,715		- 57,715
Joint STARS.....	37,860		- 37,860
Non-central managed item.....	39,530	19,530	- 20,000
NBC mask.....	5,700	4,500	- 1,200
MILSTAR/SCOTT.....	55,100	36,500	- 18,600

HOUSE REDUCTIONS

The Committee agrees with the following reductions proposed in the House report:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Motorcycles.....	4,271		- 4,271
TRI-TAC equipment.....	115,731	110,000	- 5,731
Battlefield CEOI syst.....	22,903	11,000	- 11,903
VIALE/STARNET.....	9,041	2,000	- 7,041
Positive/Hostile ID.....	9,000		- 9,000

COMMITTEE RECOMMENDED ADJUSTMENTS

TACTICAL AND SUPPORT VEHICLES

Motorcycles.—The Committee defers the request of \$4,271,000. Prior year appropriations have not been obligated to initiate production of a militarized motorcycle. The Committee expects the Army to proceed expeditiously in the definition of requirements and commence procurement.

Heavy equipment transporter.—The Committee recommends no funding for continued procurement of the heavy equipment transporter system. None of the funds previously appropriated in fiscal years 1986 and 1987 have been obligated due to changes in the Army acquisition strategy and system design. No additional funds are required to sustain production through fiscal year 1989. Funds requested for this program in the Host Nation Support line have also been denied.

High mobility multipurpose wheeled vehicle [HMMWV].—The Committee agrees with the House report and urges the Army to continue procurement of the HMMWV. The Committee recommends the request of \$158,415,000, and expects future requests to sustain an economically efficient production rate for this critical vehicle.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

SINCGARS radio.—The Committee recommends \$222,877,000, a reduction of \$44,300,000 in the request. This adjustment reflects authorization action and the proposed transfer of Marine Corps prior year appropriations to purchase SINCGARS radios for light armored vehicles [LAV].

The Committee believes that the planned second source procurement effort for SINCGARS can significantly enhance the planned deployment of these urgently needed systems, as well as creating a competitive procurement environment, to insure not only economical costs but the highest possible quality of production. The Committee regards the issue of interoperability and logistics support of these two different radio systems as one of special concern. Recently identified problems in interoperability between Army and Air Force SINCGARS highlights the importance of this issue, as addressed in the House report. Both the lead and the second source producer for SINCGARS should bear the responsibility of ensuring interoperability, and success in demonstrating the interoperability of the two SINCGARS in the Army will be a key criterion in determining future funding for SINCGARS production.

Commanders tactical terminal.—The Committee recommends a reduction of \$13,980,000 in the request of \$22,980,000. The Committee understands the Army intends to field a minimum network of terminals to Europe to support system testing and a limited operational capability. The Committee rejects the transfer of prior year appropriations from this program to other activities, and such funds should be available to support the initial procurement of the commanders tactical terminal.

Reserve component automation system.—The Committee recommends a reduction of \$22,200,000 in the request of \$34,700,000. The Assistant Secretary of the Army notified the Committee that a portion of the funds requested for RCAS should have been reflected in the Army Tactical Combat Computer System [TACCS] budget line. The proposed adjustment reflects the Army acquisition plan, providing only \$12,500,000 for RCAS procurement. The Committee does not agree with the House general provision directing the Army to use funds from the ADP Management Fund to address the TACCS requirement.

Night vision devices.—The Committee provides \$138,100,000, an increase of \$83,000,000 in the request. The recommendation agrees with the House action, allowing sufficient funds to exercise the final option of the 5-year multiyear omnibus procurement.

Communications and electronics spares.—The Committee recommends a reduction of \$19,403,000 in the request of \$344,403,000. This action reflects programmatic adjustments made in system procurements included in this budget activity.

Special programs.—The Committee recommends a reduction of \$10,000,000 in the request of \$73,534,000. This action is explained in the classified annex to this report.

OTHER SUPPORT EQUIPMENT

Modular field kitchens.—The fiscal year 1988 Defense Appropriations Act provided that funds for these systems be requested in the combat medical support equipment line. The Army should procure these systems with funds from that program. The Committee does not allow the request of \$1,978,000.

Chemical agent monitor.—The Committee defers the request of \$9,779,000. The Army has not obligated appropriations provided in prior fiscal years. No additional funds are required to sustain the planned production rate.

OSD productivity incentive fund.—The Committee recommends a reduction of \$20,000,000 in the request of \$23,379,000. The Committee disagrees with the substantial increase in resources applied to this program, which supports industrial upgrade activities. The recommendation sustains funding at the level provided for fiscal year 1988.

Light infantry training center.—The Army has informed the Committee of plans to establish a permanent training center for light infantry units. This facility would include a standing aggressor force and electronic simulation and combat recording systems similar to the National Training Center at Fort Irwin. The Committee strongly endorses this initiative, and urges the Army to proceed with plans for the location and support of this center. To maximize the utility of this facility, the Army should consider development of the training center in conjunction with an existing light infantry unit. The Army should report to the Committee on plans for the establishment of the center, including the activation schedule and an assessment of all existing light infantry locations as candidates for the training activity.

Host nation support.—The Committee denies the request of \$57,354,000. The funds requested would support Federal Republic of Germany reserve component forces. Budgetary information provided by the Army to the Committee indicated that \$22,000,000 of the funds would be a direct monetary transfer to West Germany to purchase equipment in West Germany for these units. The Committee strongly endorses the concept of joint unit operations and support as embodied by the 1982 Host Nation Support agreements. Recognizing the impact of the devaluation of the U.S. dollar, and the severe limitations on support for U.S. reserve component forces, the Committee believes that the Federal Republic of Germany should assume the costs of outfitting their reserve units for this mission.

Simulation network trainers [SIMNET].—The Committee recommends \$20,000,000, an increase to the budget. This initiative advances an existing Army-DARPA development program into procurement, to provide improved training experience to Army units using state of the art computer technology. All other funds provided in this account for SIMNET procurement should be consolidated with this appropriation to provide a comprehensive accounting of SIMNET procurement in the budget display.

RESTORED HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Small unit support vehicle	8,794.....		8,794
Vehicle intercom system.....		10,000	
Tactical surveillance.....	4,693.....		4,693
IDHS	16,305	31,068	16,305
Intel. syst. < \$2 M.....	1,300.....		1,300
LTACFIRE		13,000	

AIRCRAFT PROCUREMENT, NAVY

1988 appropriation	\$9,522,299,000
1989 budget estimate.....	8,980,000,000
House allowance.....	9,308,735,000
Committee recommendation	9,231,311,000

The Committee recommends an appropriation of \$9,231,311,000, an increase of \$251,311,000 above the President's budget request and \$77,424,000 below the House allowance.

This appropriation finances the construction, procurement, production, modification, and modernization of aircraft, including ordnance systems, ground support equipment, flight simulators, spare parts, accessories, and specialized equipment, expansion of public and private plants.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
AIRCRAFT PROCUREMENT, NAVY												
COMBAT AIRCRAFT												
DA-1 COMBAT AIRCRAFT												
A-6 UPGRADE (ATTACK) INTRUDER.....	--	--	--	--	--	--	--	--	--	--	--	--
A-6 UPGRADE (ATTACK) INTRUDER (AP-CY).....	--	--	--	--	--	--	--	--	--	--	--	--
EA-6B (ELECTRONIC WARFARE) PROMER.....	9	473,557	9	399,116	12	467,557	+3	-6,000	+3	+68,441		
EA-6B (ELECTRONIC WARFARE) PROMER (AP-CY).....	--	18,331	--	18,331	--	24,331	--	+6,000	--	+6,000		
AV-8B (U/STOL) HARRIER (HYP).....	24	479,241	24	479,241	24	455,241	--	-24,000	--	-24,000		
AV-8B (U/STOL) HARRIER (HYP) (AP-CY).....	--	40,240	--	40,240	--	40,240	--	--	--	--		
F-14A/D (FIGHTER) TOMCAT.....	12	795,034	12	785,734	12	785,734	--	-9,300	--	-9,300		
F-14A/D (FIGHTER) TOMCAT (AP-CY).....	--	84,794	--	114,294	--	114,294	--	+29,500	--	+29,500		
F/A-18 (FIGHTER) HORNET.....	72	2,147,304	84	2,197,304	84	2,354,304	+12	+207,000	--	+157,000		
F/A-18 (FIGHTER) HORNET (AP-CY).....	--	139,383	--	139,383	--	139,383	--	--	--	--		
CH/WH-53E (HELO) SUPER STALLION (HYP).....	14	194,988	14	182,905	14	182,905	--	-12,083	--	-12,083		
CH/WH-53E (HELO) SUPER STALLION (HYP) (AP-CY).....	--	--	--	46,000	--	--	--	--	--	--		
V-22 OSPREY.....	--	335,332	--	335,332	--	280,332	--	-55,000	--	-55,000		
AH-1W (HELICOPTER) SEA COBRA.....	--	--	--	55,000	--	--	--	--	--	--		
SH-60B (ASW HELO) SEAHAWK.....	6	91,589	6	86,283	6	86,283	--	-5,306	--	-5,306		
SH-60B (ASW HELO) SEAHAWK (AP-CY).....	--	21,031	--	21,031	--	21,031	--	--	--	--		
SH-60F (CV ASW HELO).....	18	314,461	18	314,461	18	314,461	--	--	--	--		
SH-60F (CV ASW HELO) (AP-CY).....	--	30,794	--	30,794	--	30,794	--	--	--	--		
E-2C (EARLY WARNING) HAWKEYE.....	6	307,150	6	307,150	6	307,150	--	--	--	--		

[in thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
A-6 SERIES.....	--	178,346	--	178,346	--	178,346	--	--	--	--	--	--
EA-6 SERIES.....	--	36,784	--	36,784	--	36,784	--	--	--	--	--	--
A-7 SERIES.....	--	--	--	--	--	--	--	--	--	--	--	--
AV-8 SERIES.....	--	942	--	942	--	942	--	--	--	--	--	--
F-4 SERIES.....	--	--	--	--	--	--	--	--	--	--	--	--
RF-4 SERIES.....	--	--	--	--	--	--	--	--	--	--	--	--
F-14 SERIES.....	--	33,174	--	33,174	--	33,174	--	--	--	--	--	--
F-5 SERIES.....	--	62	--	62	--	62	--	--	--	--	--	--
ES-3 SERIES.....	--	155,275	--	155,275	--	155,275	--	--	--	--	--	--
OV-10 SERIES.....	--	32,825	--	32,825	--	32,825	--	--	--	--	--	--
F-18 SERIES.....	--	94	--	94	--	94	--	--	--	--	--	--
H-46 SERIES.....	--	21,064	--	21,064	--	21,064	--	--	--	--	--	--
H-53 SERIES.....	--	14,388	--	14,388	--	14,388	--	--	--	--	--	--
SH-60 SERIES.....	--	501	--	4,501	--	501	--	--	--	--	--	-4,000
WH-60 SERIES.....	--	1,187	--	1,187	--	1,187	--	--	--	--	--	--
H-1 SERIES.....	--	28,961	--	28,961	--	28,961	--	--	--	--	--	--
H-2 SERIES.....	--	5,679	--	5,679	--	5,679	--	--	--	--	--	--
H-3 SERIES.....	--	31,609	--	31,609	--	31,609	--	--	--	--	--	--
EP-3 SERIES.....	--	26,498	--	26,498	--	26,498	--	--	--	--	--	--
P-3 SERIES.....	--	131,932	--	140,647	--	131,932	--	--	--	--	--	-8,715
S-3 SERIES.....	--	135,567	--	135,567	--	135,567	--	--	--	--	--	--
E-2 SERIES.....	--	20,175	--	40,675	--	40,675	--	+20,500	--	--	--	--
TRAINER A/C SERIES.....	--	532	--	532	--	532	--	--	--	--	--	--
EC-130 SERIES.....	--	12,735	--	12,735	--	12,735	--	--	--	--	--	--
C-130 SERIES.....	--	2,095	--	2,095	--	2,095	--	--	--	--	--	--
FWS6.....	--	1,817	--	1,817	--	1,817	--	--	--	--	--	--

[In thousands of dollars]

	1968 budget		1968 House		Committee recommendation		Senate compared to—			
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)	House amount (10)
CLASSIFIED PROGRAMS.....	--	115,823	--	115,823	--	115,823	--	--	--	--
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES....		631,278		688,027		681,278		†50,000		-6,749
GENERAL REDUCTION.....	--		--		--		--		--	
TOTAL, AIRCRAFT PROCUREMENT, NAVY.....		8,980,000		9,308,735		9,231,311		†251,311		-77,424

COMMITTEE RECOMMENDED ADJUSTMENTS

COMBAT AIRCRAFT

A-6 intruder aircraft.—No procurement or research and development funds are requested or recommended in fiscal year 1989 for new production or upgrade on A-6 series aircraft. In view of the unique capability afforded the Navy by the A-6 and to keep it survivable in the face of the increasing threat, the Committee believes the A-6 needs upgrading. It is expected that the Defense Department will address this issue in its fiscal year 1990 budget deliberations. If any circumstances arise which require fiscal year 1989 funding for upgrading, the Committee will consider a reprogramming to initiate or continue such efforts.

EA-6B prowler.—The Committee recommends \$467,557,000 for procurement of 12 EA-6B aircraft an increase of three aircraft, and \$24,331,000 for advance procurement. This allowance is \$6,000,000 below the budget request and \$68,441,000 above the House allowance for fiscal year 1989 and \$6,000,000 above the budget and House allowance for advance procurement. The purchase of three additional aircraft within this amount is possible by deleting funds for the advanced capability changes which are not required in 1989 and redirecting these funds to increase production. The increase in funding for advance procurement is sufficient to continue a production rate of 12 EA-6B aircraft in 1990.

AV-8B Harrier.—The Committee recommends \$455,241,000 for procurement of 24 AV-8B aircraft. The amount is \$24,000,000 below the budget and House allowance. The savings will result from the decision to initiate a multiyear procurement with 16 of the 24 aircraft in 1989 and to include the remaining aircraft in the fiscal year 1988 lot purchase thereby attaining a lower unit cost. The Committee has included approval for multiyear procurement in a general provision, section 8029. The inclusion of multiyear authority is permissive in nature and does not require the continuation of the program. However, the Committee supports program continuation and believes that a multiyear procurement strategy is the proper course.

A multiyear procurement of 24 aircraft in 1990 and 1991 will result in the Marines having more AV-8B's than are required for its inventory objective in the near term. The Committee believes the Marines should use the aircraft excess to begin transitioning three Marine Corps Reserve squadrons to AV-8B aircraft. Further, the Marines should plan to purchase sufficient AV-8B's to cover the requirements for the three reserve squadrons.

F/A-18 Hornet.—The Committee recommends \$2,354,304,000 for the purchase of 84 F/A-18 aircraft. This is an increase of 12 aircraft and \$207,000,000 from the budget request, and \$157,000,000 above the House allowance. The F/A-18 program has been produced at 84 aircraft per year since fiscal year 1983. In 1989, the Defense Department requested funds for 72 aircraft, changing to a less efficient rate of

production. The Committee recommendation permits the continued production of F/A-18 aircraft at a more efficient rate of production.

CH/MH-53 advance procurement.—The Committee is concerned that the Navy has failed to include funding for continued procurement of CH/MH-53 helicopters in 1990 and beyond. The House provided \$46,000,000 directing the Navy to establish a multi-year procurement in 1990. The Committee does not agree with directing a multiyear procurement because of the uncertainties of the fiscal year 1990 budget resources. However, the Committee does not oppose continuation of the program. The resolution of this issue will be addressed by the conferees.

V-22 Osprey.—The Committee recommends \$280,332,000 for advance procurement for the V-22 tilt rotor aircraft, a reduction of \$55,000,000 from the budget request and the House allowance. The Committee continues to strongly support the V-22 program, however, it wants to ensure that costs are carefully monitored in this program. The justification material submitted for the V-22 program is inadequate to support the request of \$111,230,000 for recurring costs for 12 aircraft. It must be clear that support for any program regardless of its merit is dependent on substantiating the funding requirement.

MODIFICATION OF AIRCRAFT

P-3 Modifications.—The Committee recommends \$131,932,000 for modification of the P-3 series aircraft, the same as requested. The House provides an additional \$8,715,000 and directs these funds may only be used to purchase 15 SRS-5 sonobuoy reference systems. The Navy has informed the Committee that the SRS-5 system provides only a marginal advantage which does not justify expending the \$77,300,000 which would be required to retrofit the existing Update III aircraft.

S-3 Modifications.—The Committee agrees with the House that the Navy should explore the cost benefits of buying out the ARR-78 Advanced Sonobuoy Communications Link and report its findings to the Committee by September 1, 1988. If it appears that significant savings will accrue by accelerating the purchase of ARR-78 systems, the Committee believes the Navy should proceed to purchase an economical rate beginning in fiscal year 1990.

AIRCRAFT SUPPORT

Aircraft Industrial Facilities.—The Committee recommends \$77,605,000, an increase of \$50,000,000 for this program to be used to cover the cost of transferring responsibility for Naval Engineering Centers from operations and maintenance funding. This matter is discussed in detail in the operations and maintenance section of this report.

Common ECM equipment.—The Committee recommends \$85,335,000 for purchase of common electronic countermeasure equipment. This is \$50,000,000 above the budget request and the same as the House allowance. The Committee expects that \$35,000,000 of the funds available

will be used only for ALQ-126B purchases. In addition, the Navy should purchase ALR-67 and ALQ 162 within the remaining available sums.

Authorization adjustments.—Other lines have been adjusted for the MH/CH-53 and SH-60B helicopters and E-2C modifications in compliance with authorization guidance.

Other House adjustments.—The Committee disagrees with the following House adjustments.

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Special Support Equip.....	36,420	93,169	36,420
AH-1W		55,000	
HH-60	15,593		15,593
Spares	1,162,606	1,287,600	1,162,606
SH-60B Mods.....	501	4,501	501

WEAPONS PROCUREMENT, NAVY

1988 appropriation	\$5,967,019,000
1989 budget estimate.....	6,271,800,000
House allowance.....	6,033,173,000
Committee recommendation	5,922,525,000

The Committee recommends an appropriation of \$5,922,525,000, a decrease of \$349,275,000 below the President's budget request and \$110,648,000 less than the House allowance.

This appropriation finances the construction, procurement, production, modification, and modernization of strategic and tactical missiles, torpedoes, other weapons, and related support equipment, including spare parts and accessories; and expansion of public and private plants.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount		Qty.	Amount		Qty.	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(8)	(9)	(10)
WEAPONS PROCUREMENT, NAVY												
BALLISTIC MISSILES												
POSEIDON.....	--	188		--	188		--	188		--	--	--
TRIDENT I.....	--	4,103		--	4,103		--	4,103		--	--	--
TRIDENT II.....	66	1,629,525		66	1,629,525		66	1,629,525		--	--	--
TRIDENT II (AP-CY).....	--	236,084		--	236,084		--	236,084		--	--	--
MODIFICATION OF MISSILES												
SUPPORT EQUIPMENT AND FACILITIES												
MISSILE INDUSTRIAL FACILITIES.....	--	2,638		--	2,638		--	2,638		--	--	--
TOTAL, BALLISTIC MISSILES.....	510	635,517		510	635,517		510	587,003		-48,514	--	-48,514
OTHER MISSILES												
STRATEGIC MISSILES												
BGM-109 TOMAHAWK.....	510	635,517		510	635,517		510	587,003		-48,514	--	-48,514
BGM-109 TOMAHAWK (AP-CY).....	--	75,608		--	75,608		--	75,608		--	--	--
TACTICAL MISSILES												
AIM-9L/N SPARROW.....	--	--		600	75,000		300	40,000		40,000	-300	-35,000
AIM-9L/N SPARROW.....	50	59,798		30	12,768		30	34,998		-24,800	--	-7,770
AIM-9L/N SIDEWINDER.....	--	--		--	--		--	--		--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
AIM-54A/C (PHENIX).....	560	465,283	350	325,882	450	397,700	-110	-67,583	+100			+71,898
AGM-84A HARPOON (NYP).....	138	169,709	138	169,709	138	169,709	--	--	--	--	--	--
AGM-88A (HARM).....	1,307	302,749	1,307	302,749	1,307	302,749	--	--	--	--	--	--
SK-2 MR.....	1,635	698,113	1,310	598,531	1,310	598,531	-325	-99,582	--	--	--	--
RAM.....	260	52,094	260	52,094	260	52,094	--	--	--	--	--	--
STINGER.....	--	--	--	--	--	--	--	--	--	--	--	--
SIDEARM.....	--	--	--	--	--	--	--	--	--	--	--	--
HELLFIRE.....	200	8,958	1,000	35,000	1,000	35,000	+800	+26,042	--	--	--	--
LASER MAVERICK.....	--	--	--	--	--	--	--	--	--	--	--	--
IIR MAVERICK (NYP).....	--	--	--	--	--	--	--	--	--	--	--	--
PENGUIN.....	64	38,579	--	--	--	--	--	--	-64	-38,579	--	--
PENGUIN (AP-CY).....	--	3,518	--	--	--	3,518	--	--	--	--	--	+3,518
MAVERICK MISSILES.....	731	82,390	731	82,390	731	82,390	--	--	--	--	--	--
TACIT RAINBOW.....	--	89,965	--	--	--	89,965	--	--	--	--	--	+89,965
AERIAL TARGETS.....	--	109,981	--	109,981	--	109,981	--	--	--	--	--	--
DRONES AND DECOYS.....	--	40,744	--	40,744	--	40,744	--	--	--	--	--	--
OTHER MISSILE SUPPORT.....	--	21,313	--	21,313	--	21,313	--	--	--	--	--	--
MODIFICATION OF MISSILES												
TOMAHAWK MODS.....	--	7,216	--	7,216	--	7,216	--	--	--	--	--	--
AIM/RIM-7E/F SPARROW MOD.....	--	44,348	--	44,348	--	44,348	--	--	--	--	--	--
AIM-9 SIDEWINDER MOD.....	--	2,409	--	2,409	--	2,409	--	--	--	--	--	--
AIM-54A/C PHENIX MOD.....	--	198	--	198	--	198	--	--	--	--	--	--
AGM-84A HARPOON MOD.....	--	9,602	--	9,602	--	9,602	--	--	--	--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount		Qty.	Amount		Qty.	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(8)	(9)	(10)
STANDARD MISSILES MOD.....	--	27,610		--	27,610		--	27,610		--	--	--
SUPPORT EQUIPMENT AND FACILITIES												
WEAPONS INDUSTRIAL FACILITIES.....	--	10,750		--	10,750		--	13,750		43,000	--	43,000
FLEET SATELLITE COMMUNICATIONS.....	--	97,622		--	97,622		--	97,622		--	--	--
FLEET SATELLITE COMMUNICATIONS (AP-CY).....	--	77,000		--	77,000		--	77,000		--	--	--
DEFENSE METEOROLOGICAL SATELLITE PROGRAM.....	--	21,575		--	21,575		--	21,575		--	--	--
ORDNANCE SUPPORT EQUIPMENT												
ORDNANCE SUPPORT EQUIPMENT.....	--	351,707		--	240,907		--	230,000		-121,707	--	-10,907
TOTAL, OTHER MISSILES.....												
		3,504,356			3,106,443			3,172,633		-331,723		466,190
		=====			=====			=====		=====		=====
TORPEDOES AND RELATED EQUIPMENT												
TORPEDO MK-48 ADCAP.....	261	431,014		350	541,800		261	431,014		--	-89	-110,786
ADV LIGHTWEIGHT TORPEDO.....	140	162,047		192	210,547		140	162,047		--	-52	-48,500
ADV LIGHTWEIGHT TORPEDO (AP-CY).....	--	36,500		--	36,500		--	36,500		--	--	--
MOBILE TARGET MK-30 (MYP).....	--	--		--	--		--	--		--	--	--
ASROC.....	--	--		--	--		--	--		--	--	--
VERTICAL LAUNCHED ASROC.....	--	17,552		--	17,552		--	--		-17,552	--	-17,552
MOD OF TORPEDOES AND RELATED EQUIP												
MOBILE MINE MK-67.....	--	1,332		--	1,332		--	1,332		--	--	--
CAPTOR MODS.....	--	--		--	--		--	--		--	--	--
SUMMER WEAPONS SYSTEMS (SOF).....	--	1,957		--	1,957		--	1,957		--	--	--

[In thousands of dollars]

	1968 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
SUPPORT EQUIPMENT												
TORPEDO SUPPORT EQUIPMENT.....	--	25,988	--	25,988	--	25,988	--	--	--	--	--	--
ASW RANGE SUPPORT.....	--	22,664	--	22,664	--	22,664	--	--	--	--	--	--
TOTAL, TORPEDOES AND RELATED EQUIPMENT.....		699,054		858,340		681,502		-17,552		-176,838		
OTHER WEAPONS												
GUNS AND GUN MOUNTS												
HK-15 CLOSE IN WEAPONS SYSTEM.....	5	19,449	5	19,449	5	19,449	--	--	--	--	--	--
25MM GUN MOUNT.....	57	9,366	57	9,366	57	9,366	--	--	--	--	--	--
SMALL ARMS AND WEAPONS.....	--	8,815	--	8,815	--	8,815	--	--	--	--	--	--
SMALL ARMS AND WEAPONS - (SOF).....	--	996	--	996	--	996	--	--	--	--	--	--
MODIFICATION OF GUNS AND GUN MOUNTS												
CJWS MODS.....	--	54,557	--	54,557	--	54,557	--	--	--	--	--	--
5 /34 GUN MOUNT MODS.....	--	8,444	--	8,444	--	8,444	--	--	--	--	--	--
3 /50 GUN MOUNT MODS.....	--	260	--	260	--	260	--	--	--	--	--	--
HK 75 76MM GUN MOUNT MODS.....	--	4,097	--	4,097	--	4,097	--	--	--	--	--	--
MODS UNDER \$2,000,000.....	--	1,618	--	1,618	--	1,618	--	--	--	--	--	--

[In thousands of dollars]

	1989 budget		1989 House		Committee recommendation		Senate compared to—			
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)	House amount (10)
SUPPORT EQUIPMENT										
GUN SUPPORT EQUIPMENT.....	--	838	--	838	--	838	--	--	--	--
SPARES AND REPAIR PARTS.....	--	87,412	--	87,412	--	87,412	--	--	--	--
TOTAL, OTHER WEAPONS.....		195,852		195,852		195,852				
TOTAL, WEAPONS PROCUREMENT, NAVY.....		6,271,800		6,033,173		5,922,525		-349,275		-110,648

COMMITTEE RECOMMENDED ADJUSTMENTS

OTHER MISSILES

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
Tomahawk missile.....	635,517	587,003	- 48,514
Standard missile SM-2 MR.....	698,113	598,531	- 99,582
Weapons industrial facilities.....	10,750	13,750	+ 3,000

COMMITTEE RECOMMENDED ADJUSTMENTS

AIM-7 Sparrow missile.—The Navy did not request funds for the procurement of AIM-7 Sparrow missiles in fiscal year 1989. The Committee recommends \$40,000,000 to procure as many Sparrow missiles as these funds will allow, but not less than 300 missiles. This allowance is \$35,000,000 below the House recommendation.

This addition will reduce the shortfall of air-to-air missiles until the AMRAAM missile is fully deployed to the fleet.

AMRAAM missile.—The Navy has requested \$59,798,000 in fiscal year 1989 to procure 50 AMRAAM missiles. The Committee recommends an allowance of \$34,998,000 for 30 missiles, a reduction of \$24,800,000 and 20 missiles from the request and \$7,770,000 below the House funding level.

The Committee has been informed of problems in the F-14 AMRAAM test program which will delay the need for the 20 missiles requested for this purpose until fiscal year 1990. The Committee allowance provides the 30 missiles necessary to support the F-18 test program scheduled for fiscal year 1989.

Phoenix missile.—The Navy requested \$465,283,000 for the procurement of 560 Phoenix missiles in fiscal year 1989. The Committee provides \$397,700,000 for the procurement of as many missiles as these funds will allow. The Committee, however, expects the Navy to procure not less than 450 Phoenix missiles with the recommended funds. This allowance is \$67,583,000 below the budget request and \$71,898,000 above the House allowance.

While the Phoenix production program continues to have problems with a piece of Government furnished equipment [GFE], known as the FSU-10A safe and arm device, the Committee has been briefed on a recovery plan which should reduce the fleet delivery backlog within the next 12 months. A redesigned FSU-10A is currently being tested by the Navy with promising results, and a decision on installation into production missiles should be made in late July or early August.

While the Committee continues to support the Phoenix program, one more year of a modest ramp-up is recommended until all problems

have been solved and all backlogged missiles have been delivered to the fleet.

The Committee has provided sufficient funding to support a competitive award to the two sources and would expect the Navy to be able to procure at least 450 missiles in fiscal year 1989.

Hellfire missile.—The Navy requested \$8,958,000 for the procurement of 200 Hellfire missiles for the Marine Corps in fiscal year 1989. The Committee recommends \$35,000,000 for the procurement of as many Hellfire missiles as these funds will allow. This allowance is \$26,042,000 above the budget request and is the same as the House recommendation.

The Committee allowance, when combined with the Army Hellfire appropriation, will provide sufficient funds for a effective competition between the two producers at efficient production rates. The Committee fully expects the Navy to procure at least 1,000 missiles with this allowance, and hopes to see the average annual unit price continue to decline for the Hellfire missile as it has seen in the previous three competitive production contracts.

Penguin missile.—The Navy has requested \$38,579,000 for the first production contract for 64 Penguin missiles and \$3,518,000 in advance procurement for fiscal year 1990 and beyond. The Committee recommends no procurement funds for the Penguin missile in fiscal year 1989, a reduction of \$38,579,000 from the request. The Committee fully supports the advance procurement request of \$3,518,000.

The Committee supports the procurement of the Penguin antiship missile system for the LAMPS MK III helicopter. The Committee, however, has been informed that the current acquisition schedule calls for a procurement contract award in September 1989, the last month of fiscal year 1989. Before the proposed contract award date in September, the Penguin missile must complete TECEVAL and OPEVAL. While the Committee has no indication that the Penguin will not successfully complete these major milestones, the Committee believes that the schedule will slip at least 30 days over the next 18 months of testing and, therefore suggests that the procurement funds will not be obligated until fiscal year 1990. The Committee denies the fiscal year 1989 procurement request without prejudice.

Fleet satellite communications [FLTSATCOM].—The Navy has requested \$97,622,000 in fiscal year 1989 for the annual procurement of the first follow-on FLTSATCOM and \$77,000,000 in advance procurement for fiscal year 1990 and beyond. The Navy has also requested authority to enter into negotiations for a multiyear procurement of eight additional FLTSATCOM's for the period fiscal year 1990 through fiscal year 1993.

The General Accounting Office [GAO] has provided the Committee a report which indicates the proposed multiyear strategy for the FLTSATCOM has some very serious issues which need to be addressed prior to congressional approval. The GAO observes that several decisions have yet to be reached, including the mode of launch, the poten-

tial addition of extremely high frequency [EHF] capabilities as required by the House Armed Services Committee, and the attendant cost, schedule, and design impacts.

In response to the GAO concerns, the Navy states that the technical risks for this generation of satellite are minimal. The GAO, however, points out that the major design reviews and testing will not be completed until after the multiyear option clause is exercised and significant weapon system funds and economic order quantity [EOQ] funds are obligated.

The Committee was also not impressed with the backup documentation provided by the Navy for the multiyear cost justification of the FLTSATCOM. As the GAO reports, the program office merely assumes that a multiyear contract would save about 10 percent from economic order quantity purchases of parts and materials, basing this assumption on the estimated savings from other Navy multiyear contracts.

The Committee will not approve a multiyear request which would commit the Government to a \$1,500,000,000 program based upon a poorly justified assumption of savings.

Vertical launched ASROC.—The Navy requested \$17,552,000 in fiscal year 1989 to support the production of the vertical launched ASROC [VLA]. The Committee denies the Navy's procurement request which is fully funded by the House.

During a review of out-year budget shortfalls, the Department of Defense directed the Navy to develop a common surface and submarine launched antisubmarine standoff weapon system. The Navy, up to this point, had been developing two separate systems, the VLA and the Sea Lance. The Navy, in response to the DOD directive, has selected the Sea Lance as the common system and has informed Congress it intends to terminate the VLA program.

The Committee commends DOD on their decision to eliminate the redundancy in these systems and further agrees with the Navy's decision to go forward with the dual capable Sea Lance. In that light, the Committee denies the VLA procurement request of \$17,522,000, and the VLA R&D request of \$30,287,000. The Committee further recommends an increase of \$30,287,000 to the Sea Lance R&D request of \$50,000,000 to accelerate the development and deployment of the common standoff ASW system.

HOUSE ADJUSTMENTS

The Committee does not recommends accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Tacit Rainbow	89,965		89,965
MK-48 ADCAP torpedo	431,014	541,800	431,014
MK-50 torpedo	162,047	210,547	162,047

SHIPBUILDING AND CONVERSION, NAVY

1988 appropriation	\$16,155,355,000
1989 budget estimate	9,130,100,000
House allowance	9,396,100,000
Committee recommendation	9,013,443,000

The Committee recommends an appropriation of \$9,013,443,000. This is a decrease of \$116,657,000 from the budget estimate and \$382,657,000 below the House allowance.

This appropriation finances the construction, acquisition, or conversion of vessels, including armor and armament, plant equipment, appliances, and machine tools for production plants and facilities; and procurement of long leadtime components and designs of vessels.

The following table displays ship construction levels throughout the 1980's including the fiscal year 1989 request:

[In billions of dollars]

	Fiscal year—								
	1981	1982	1983	1984	1985	1986	1987	1988	1989
Ships:									
Trident submarines..	1		1	1	1	1	1	1	7
Major warships.....	4	6	8	7	8	8	9	9	0
Other warships.....	7	5	4	7	6	6		5	3
Subtotal combat- ants	12	11	13	15	15	15	10	15	10
Auxiliaries	5	13	2	7	9	8	11	5	9
Landing craft				15	9	12			9
Total ships	17	24	15	37	33	35	21	20	28
Funding	7.2	8.0	14.5	10.7	10.7	9.6	10.1	11.1	9.1

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1988 budget		1989 House		Committee recommendation		Senate compared to—		House amount
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
SHIPBUILDING AND CONVERSION, NAVY									
FLEET BALLISTIC MISSILE SHIPS									
BA-1 FLEET BALLISTIC MISSILE SHIPS									
TRIDENT (NUCLEAR).....	1	1,230,700	1	1,123,700	1	1,123,700	--	-107,000	--
TRIDENT (NUCLEAR) (AP-CY).....	--	137,400	--	137,400	--	137,400	--	--	--
TOTAL, FLEET BALLISTIC MISSILE SHIPS.....		1,368,100		1,261,100		1,261,100		-107,000	
OTHER WARSHIPS									
BA-2 OTHER WARSHIPS									
CVA AIRCRAFT CARRIER (NUCLEAR).....									
SSN-688 CLASS SUBMARINE (NUCLEAR).....	2	1,189,300	2	1,189,300	2	1,189,300	--	--	--
SSN-688 CLASS SUBMARINE (NUCLEAR) (AP-CY).....	--	304,300	--	228,500	--	175,800	--	-128,500	-52,700
SSN-21.....	1	1,095,000	1	1,095,000	1	1,095,000	--	--	--
SSN-21 (AP-CY).....	--	393,000	--	393,000	--	393,000	--	--	--
CV SLEP.....	--		--		--		--	--	--
CV SLEP (AP-CY).....	--	135,400	--	243,400	--	62,743	--	-72,657	-180,657
CG-47 AEGIS CRUISER (NYP).....	--		--		--		--	--	--
DDG-51 (NYP).....	3	2,128,900	3	2,128,900	3	2,128,900	--	--	--
(DDG-51 PRIOR YEAR TRANSFER).....	--		--		--		--	--	--

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount		Qty.	Amount		Qty.	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(8)	(9)	(10)
DDG-51 (MYP) (AP-CY).....	--	78,400		--	5,500		--	11,300		-67,100	--	+5,800
TOTAL, OTHER WARSHIPS.....		5,324,300			5,283,600			5,056,043		-268,257		-227,557
AMPHIBIOUS SHIPS												
BA-3 AMPHIBIOUS SHIPS												
LHD-1 AMPHIBIOUS ASSAULT SHIP.....	1	737,500		1	737,500		1	737,500				
LHD-1 AMPHIBIOUS ASSAULT SHIP (AP-CY).....	--	--		--	--		--	--				
LSD-41 (CARGO VARIANT).....	--	--		--	--		--	--				
TOTAL, AMPHIBIOUS SHIPS.....		737,500			737,500			737,500				
NINE WARFARE AND PATROL SHIPS												
BA-4 NINE WARFARE + PATROL SHIPS												
MHC COASTAL NINE HUNTER.....	2	197,200		2	197,200		2	197,200				
AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR												
BA-5 AUXILIARIES, CRAFT + PY PROG COSTS												
TAO FLEET OILER.....	2	284,900		5	689,900		4	569,800		+284,900	+2	-120,100
AO (JUNRO).....	2	84,900		2	84,900		2	84,900			--	
TAGUS SURTASS SHIPS.....	3	159,600		3	159,600		3	159,600			--	
ADE.....	1	363,900		1	363,900		1	363,900			--	
OCEANOGRAPHIC RESEARCH SHIP.....	1	74,000		--	--		--	--		-74,000	-1	--

[In thousands of dollars]

	1968 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
SERVICE CRAFT.....	--	--	--	--	--	--	--	--	--	--	--	--
STRATEGIC SEALIFT.....	--	--	--	--	--	--	--	--	--	--	--	--
LCAC LANDING CRAFT.....	9	172,700	15	286,700	15	286,700	+6	+114,000	--	--	--	--
LCAC LANDING CRAFT (AP-CY).....	--	19,900	--	19,900	--	19,900	--	--	--	--	--	--
OUTFITTING.....	--	214,700	--	209,700	--	174,700	--	-40,000	--	-35,000	--	--
POST DELIVERY.....	--	128,400	--	102,100	--	102,100	--	-26,300	--	--	--	--
TACS CRANE SHIP.....	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL, AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR.....		1,503,000		1,916,700		1,761,600		+258,600		-155,100		
		=====		=====		=====		=====		=====		
TOTAL, SHIPBUILDING AND CONVERSION, NAVY.....		9,130,100		9,396,100		9,013,443		-116,657		-382,657		

FLEET BALLISTIC MISSILE SHIPS

Trident.—The Committee recommends \$1,123,700,000 for procurement of one Trident submarine. This is \$107,000,000 below the budget request and the same as recommended by the House. The adjusted allowance reflects anticipated program savings based on the award of the previous Trident and the existing contract option for the 1989 submarine.

OTHER WARSHIPS

SSN-688 attack submarine (advance procurement).—The Committee recommends \$175,800,000 for advance procurement for the SSN-688 program. This is a reduction of \$128,500,000 from the budget and \$52,700,000 from the House allowance. The SSN-688 program is experiencing significant delays in construction and current contract awards, and large cost overruns. The estimates for advance procurement reflect an optimistic award schedule that is very unlikely to materialize given the current problems. Further, the justification material reflects inaccurate lead time requirements based on previous experience. For these reasons, the recommendation defers the nonnuclear material advance procurement request for the submarine program.

The Committee's recommendation neither reflects a lack of support for the SSN-688 construction program nor for the Navy's plan to buy two SSN-688 submarines in fiscal year 1990 but is based instead on the belief that the money in question will not be needed until fiscal year 1990.

The Committee believes that the \$175,800,000 provided is adequate to support the procurement of two SSN-688 submarines in fiscal year 1990 and that the proposed reduction will not result in any further delays in the program.

Aircraft Carrier Service Life Extension Program [SLEP] (advance procurement).—The fiscal year 1989 budget request submitted in January 1987, included \$62,743,000 for advance procurement for the aircraft carrier service life extension scheduled to begin in 1991. In the amended budget submission, the requirement increased to \$135,400,000 without any acceleration of the schedule. The Committee recommendation returns the allowance to the amount requested in the original budget submission.

The House recommendation increases funds for the CV SLEP to accelerate the start into 1990. The Committee is concerned with this recommendation. The length of time required to complete a SLEP has been increasing. Whereas the first SLEP required 28 months to complete, current plans are for 37 month programs. The existing schedule already shows an overlap of work on the 1988 SLEP and the 1991 SLEP. This schedule may be unrealistic given the impact on operational deployments and the ability to maintain 15 deployable carrier battle groups. Any acceleration of the schedule would only increase the time two carriers were unavailable for deployment. As such, it seems unlikely that the SLEP should be accelerated into 1990.

DDG-51 Aegis destroyers.—The Committee recommends \$2,128,900,000 for three destroyers in the shipbuilding and conversion,

Navy appropriation. This is the same as the budget request and House allowance. The budget request provides only for three Aegis destroyers, a reduction of two Aegis equipped ships from the levels provided in each of the two previous years. The Committee is concerned that even with the anticipation of a surface combatant shortfall in the 1990's, the Department of Defense has reduced the level of Aegis ships. There are no technical or operational reasons for reducing Aegis procurement. The Aegis ships which have been delivered have been completely successful in naval operations, providing a significant force multiplier to surface warfare capabilities. Several witnesses to the Committee expressed that it was only funding constraints which led to the decision to limit destroyer production in 1989. Therefore, the Committee recommends using savings identified in its budget review from 1989 and previous years to increase the destroyers to five provided in fiscal year 1989. The Committee recommendation reallocates savings under section 8118 from fiscal year 1987 appropriations to procure a destroyer which was authorized in that year, but not funded in the appropriations act. In addition, the Committee recommends a general provision section 8121, consistent with the 1989 Defense Authorization Act to provide funding for an additional destroyer through savings identified by the Committee. The Committee expects the Defense Department to budget for at least five destroyers in the future to minimize the surface combatant shortfall.

DDG-51 advance procurement.—The Committee recommends \$11,300,000 for advance procurement for follow-on destroyers. This is \$67,100,000 below the request and \$5,800,000 above the House allowance. The recommended funding is consistent with historical requirements for Aegis ship advance procurement requirements.

MINE WARFARE AND PATROL SHIPS

Mine countermeasure [MCM] ships.—The Committee is aware of the enormous problems which have been associated with the building of the mine countermeasure [MCM] ships. The immature design resulted in over 17,000 engineering change notices. A significant number of these design changes caused delay and disruption in building the ships. This often included the removal of completed construction which was according to the original design.

The resultant delays and disruption to the construction schedule has caused considerable hardship on the relatively small shipyards. This includes a drain of finances which was unanticipated during the negotiations which have been held.

The requests for equitable adjustment submitted over the past 34 months have not been resolved. The Committee believes that this critical situation is a result of the Navy's lack of commitment to come to a settlement.

It does appear that there are efforts in other sections of this bill to come to a final settlement. We would encourage further movement in this regard.

Consequently, the Committee will monitor this situation as it proceeds toward conference and expects a full and final settlement between the shipbuilders and the Navy. At this time the Committee will assess its position with regard to this situation.

AUXILIARY SHIPS

TAO fleet oiler.—The Committee recommends \$569,800,000 for the procurement of four TAO fleet oilers. The House provided \$689,900,000 for procurement of five oilers to buy out the TAO line. The Committee agrees with program acceleration, but is constrained by funding limitations.

Oceanographic research ship.—The Committee recommends deferral of the oceanographic research vessel consistent with authorization and the House recommendation.

Air cushion landing craft.—The budget request includes \$172,000,000 for purchase of nine air cushion landing craft. The House allowance increases the production rate to 15. The Committee notes that funding for new production of the LCAC was halted in 1986 because of technical problems. Fiscal year 1989 represents the first production funding since that time. The Committee supports the program acceleration as recommended by the House to satisfy dual-source requirements.

Outfitting.—The Committee recommends \$174,700,000 for purchase of outfitting material. This is \$40,000,000 below the budget request and \$35,000,000 below the House allowance. The recommended funding is based on deferring requirements to the future based on schedule slip-page and lack of justification for forward funding outfitting requirements for ships which will not deliver for several years and unexplained increases in later SSN-688 class submarines.

Post delivery.—The Committee recommends \$102,100,000, the same as the House and \$26,300,000 below the budget.

OTHER PROCUREMENT, NAVY

1988 appropriation	\$4,872,461,000
1989 budget estimate	4,789,700,000
House allowance	4,693,329,000
Committee recommendation	4,909,597,000

The Committee recommends an appropriation of \$4,909,597,000, an increase of \$119,897,000 above the President's budget and \$216,268,000 more than the House allowance.

This appropriation finances the procurement of major equipment and weapons other than ships, aircraft, missiles, torpedoes, and guns. Equipments range from the latest electronic sensors for updating of naval forces to trucks, training equipment, and spare parts.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)	House amount (10)		
OTHER PROCUREMENT, NAVY												
SHIPS SUPPORT EQUIPMENT												
SHIP PROPULSION EQUIPMENT												
LH-2500 GAS TURBINE.....	--	8,381	--	8,381	--	8,381	--	--	--	--		
ALLISON 501K GAS TURBINE.....	1	8,672	1	8,672	1	8,672	--	--	--	--		
LH2500 SPECIAL SUPPORT EQUIPMENT.....	--	1,016	--	1,016	--	1,016	--	--	--	--		
STEAM PROPULSION IMPROVEMENT PROGRAM.....	--	8,318	--	8,318	--	8,318	--	--	--	--		
OTHER PROPULSION EQUIPMENT.....	--	4,874	--	3,518	--	3,518	--	-1,356	--	--		
GENERATORS												
OTHER GENERATORS.....	--	3,883	--	3,883	--	3,883	--	--	--	--		
PUMPS												
OTHER PUMPS.....	--	6,456	--	4,000	--	4,000	--	-2,456	--	--		
AIR COMPRESSORS												
HIGH PRESSURE AIR COMPRESSOR.....	2	917	2	917	2	917	--	--	--	--		
OTHER AIR COMPRESSORS.....	--	--	--	--	--	--	--	--	--	--		
PROPELLERS												
SUBMARINE PROPELLERS.....	9	3,030	9	3,030	9	3,030	--	--	--	--		
OTHER PROPELLERS AND SHAFTS.....	--	4,126	--	4,126	--	4,126	--	--	--	--		

[In thousands of dollars]

	1968 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)
NAVIGATION EQUIPMENT												
ELECTRICALLY SUSPENDED GYRO NAVIGATOR.....	2	6,899	2	123	2	123				-6,776		
CARRIER NAVIGATION SYSTEM.....	--	818	--	818	--	818				--		
OTHER NAVIGATION EQUIPMENT.....	--	4,484	--	4,484	--	4,484				--		
UNDERWAY REPLENISH EQUIP												
UNDERWAY REPLENISHMENT EQUIPMENT.....	--	4,881	--	4,881	--	4,881				--		
PERISCOPES												
TYPE 18 PERISCOPE.....	--	5,883	--	5,883	--	5,883				--		
TYPE 8 PERISCOPES.....	--	334	--	334	--	334				--		
PERISCOPES AND ACCESSORIES.....	--	929	--	929	--	929				--		
OTHER SHIPBOARD EQUIPMENT												
FIREFIGHTING EQUIPMENT.....	--	14,372	--	13,790	--	14,372				--		4582
COMMAND AND CONTROL SWITCHBOARDS.....	3	9,125	3	9,125	3	9,125				--		
POLLUTION CONTROL EQUIPMENT.....	--	4,425	--	4,425	--	4,425				--		
SUBMARINE SILENCING EQUIPMENT.....	--	4,226	--	4,226	--	4,226				--		
SURFACE SHIP SILENCING EQUIPMENT.....	--	4,748	--	4,748	--	4,748				--		
SUBMARINE BATTERIES.....	40	9,363	40	8,465	40	8,465				-898		
STRATEGIC PLATFORM SUPPORT EQUIPMENT.....	--	56,488	--	55,588	--	49,988				-6,500		-5,600
DSSP EQUIPMENT.....	--	7,000	--	7,000	--	7,000				--		
SEALIFT SUPPORT EQUIPMENT.....	--	21,779	--	41,779	--	21,779				--		-20,000
AIR CONDITIONERS.....	--	--	--	--	--	--				--		
WIRELESSING CABLE.....	--	3,840	--	3,840	--	3,840				--		
WME ITEMS UNDER \$2 MILLION.....	--	26,779	--	26,341	--	26,341				-438		
SURFACE INM.....	--	11,361	--	11,361	--	11,361				--		

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount		Qty.	Amount		Qty.	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(8)	(9)	(10)
DEGAUSSING EQUIPMENT.....	--	4,842		--	4,842		--	4,842		--	--	--
RADIOLOGICAL CONTROLS.....	--	160		--	160		--	160		--	--	--
MINI/MICROMINI ELECTRONIC REPAIR.....	--	1,048		--	1,048		--	1,048		--	--	--
CHEMICAL WARFARE DETECTORS.....	163	9,467		163	9,467		163	9,467		--	--	--
SUBMARINE LIFE SUPPORT SYSTEM.....	2	1,990		2	1,990		2	1,990		--	--	--
HAZE ENGINEERED MAINTENANCE.....	--	--		--	--		--	--		--	--	--
SHIPBOARD ENERGY CONSERVATION.....	--	943		--	943		--	943		--	--	--
REACTOR PLANT EQUIPMENT												
REACTOR POWER UNITS.....	1	41,800		1	41,800		1	41,800		--	--	--
REACTOR COMPONENTS.....	--	241,396		--	241,396		--	241,396		--	--	--
OCEAN ENGINEERING												
DIVING AND SALVAGE EQUIPMENT.....	--	13,280		--	12,129		--	12,129		-1,151	--	--
NAVAL SPECIAL WARFARE EQUIPMENT.....	--	7,866		--	7,866		--	7,866		--	--	--
NAVAL SPECIAL WARFARE EQUIPMENT - (SOF).....	--	43,309		--	43,309		--	43,309		--	--	--
SMALL BOATS												
SMALL BOATS.....	101	12,612		101	12,612		101	12,612		--	--	--
TRAINING EQUIPMENT												
OTHER SHIPS TRAINING EQUIPMENT.....	--	4,167		--	4,167		--	4,167		--	--	--
PRODUCTION FACILITIES EQUIPMENT												
CALIBRATION EQUIPMENT.....	--	648		--	648		--	648		--	--	--
PRODUCTION SUPPORT FACILITIES.....	--	25,241		--	25,241		--	25,241		--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
OPERATING FORCES IPE.....	--	7,064	--	7,064	--	7,064	--	--	--	--	--	--
REVISED SHIP OVERHAUL SCHEDULE.....	--	--	--	-19,000	--	--	--	--	--	--	--	+19,000
INFLATED COST ESTIMATES.....	--	--	--	-3,800	--	--	--	--	--	--	--	+3,800
TOTAL, SHIPS SUPPORT EQUIPMENT.....		663,240		645,883		643,665		-19,575		-2,218		
COMMUNICATIONS AND ELECTRONICS EQUIPMENT												
SHIP RADARS												
AN/SPS-67.....	28	7,017	28	7,017	28	7,017	--	--	--	--	--	--
AN/SPS-40.....	--	13,088	--	13,088	--	13,088	--	--	--	--	--	--
AN/SPS-48.....	--	46,312	--	46,312	--	46,312	--	--	--	--	--	--
AN/SPS-49.....	--	16,115	--	16,115	--	16,115	--	--	--	--	--	--
AN/SYS-1.....	2	5,145	2	5,145	2	5,145	--	--	--	--	--	--
NK 23 TARGET ACQUISITION SYSTEM.....	3	22,722	3	22,722	3	22,722	--	--	--	--	--	--
RADAR SUPPORT.....	--	24,853	--	24,853	--	24,853	--	--	--	--	--	--
SHIP SONARS												
SURFACE SONAR SUPPORT EQUIPMENT.....	--	--	--	--	--	--	--	--	--	--	--	--
AN/SQQ-89 SURFACE ASW COMBAT SYS.....	13	218,359	13	218,359	13	218,359	--	--	--	--	--	--
AN/BQQ-5.....	--	91,596	--	91,596	--	91,596	--	--	--	--	--	--
TB-16 TONED ARRAY (NYP).....	21	6,208	21	6,208	21	6,208	--	--	--	--	--	--
SURF SONAR WINDOWS AND DOWNS.....	--	10,498	--	10,498	--	10,498	--	--	--	--	--	--
SONAR SUPPORT EQUIPMENT.....	--	4,821	--	4,821	--	4,821	--	--	--	--	--	--
SONAR SWITCHES AND TRANSDUCERS.....	--	29,068	--	29,068	--	29,068	--	--	--	--	--	--
BN SYSTEM SONARS.....	--	4,980	--	4,980	--	4,980	--	--	--	--	--	--

[In thousands of dollars]

	1989 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
ASW ELECTRONIC EQUIPMENT												
SUBMARINE ACOUSTIC WARFARE SYSTEMS.....	--	18,764	--	18,764	--	18,764	--	--	--	--	--	--
SURFACE SHIP TORPEDO DEFENSE.....	--	6,088	--	6,088	--	6,088	--	--	--	--	--	--
ACOUSTIC COMMUNICATIONS.....	--	387	--	387	--	387	--	--	--	--	--	--
AN/BSY-1.....	--	---	--	---	--	---	--	---	--	---	--	---
SOSUS.....	--	30,254	--	30,254	--	30,254	--	--	--	--	--	--
LAMP'S MK1 ASW SUPPORT.....	--	6,103	--	6,103	--	6,103	--	--	--	--	--	--
AN/SOR-17A ACOUSTIC PROCESSOR.....	--	---	12	10,000	--	---	--	---	--	---	-12	-10,000
AN/SOR-18 TONED ARRAY SONAR.....	--	320	--	14,220	--	320	--	---	--	---	--	-13,900
AN/SOR-15 TONED ARRAY SONAR.....	--	894	--	894	--	894	--	---	--	---	--	---
SURTASS.....	--	9,344	--	9,344	--	9,344	--	---	--	---	--	---
ASW OPERATIONS CENTER.....	--	21,938	--	21,938	--	21,938	--	---	--	---	--	---
CARRIER ASW MODULE.....	--	5,682	--	5,682	--	5,682	--	---	--	---	--	---
ELECTRONIC WARFARE EQUIPMENT												
AN/SLO-32.....	--	71,020	--	71,020	--	71,020	--	--	--	--	--	--
SIDEKICK ELECTRONIC WARFARE EQUIPMENT.....	--	---	--	---	--	---	--	---	--	---	--	---
AN/MLR-1.....	--	6,174	--	6,174	--	6,174	--	--	--	--	--	--
AN/MLR-8.....	--	3,000	--	3,000	--	3,000	--	--	--	--	--	--
OFFBOARD DECEPTION DEVICES.....	--	---	--	---	--	---	--	---	--	---	--	---
EW SUPPORT EQUIPMENT.....	--	4,824	--	4,824	--	4,824	--	---	--	---	--	---
FLEET EW SUPPORT GROUP.....	--	---	--	---	--	---	--	---	--	---	--	---
C3 COUNTERMEASURES.....	--	5,639	--	5,639	--	5,639	--	---	--	---	--	---
RECONNAISSANCE EQUIPMENT												
COMBAT CRYPTOLOGIC SUPPORT CONSOLE.....	--	4,737	--	4,737	--	4,737	--	---	--	---	--	---

[in thousands of dollars]

	1989 budget		1989 House		Committee recommendation		Senate compared to—		House amount (10)
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	
COMBAT IF.....	--	---	--	---	--	---	--	---	---
OUTBOARD.....	--	682	--	682	--	682	--	---	---
NAVAL INTELLIGENCE PROCESSING SYSTEM.....	--	8,147	--	8,147	--	8,147	--	---	---
SUBMARINE SURVEILLANCE EQUIPMENT									
AN/WLO-4 DEPOT.....	--	670	--	670	--	670	--	---	---
AN/WLO-4 IMPROVEMENTS.....	--	26,948	--	26,948	--	26,948	--	---	---
AN/WLO-1 (INTERFEROMETER).....	--	866	--	866	--	866	--	---	---
SUBMARINE SUPPORT EQUIPMENT PROGRAM.....	--	565	--	565	--	565	--	---	---
OTHER SHIP ELECTRONIC EQUIPMENT									
NAVY TACTICAL DATA SYSTEM.....	--	111,267	--	111,267	--	111,267	--	---	---
TACTICAL FLAG COMMAND CENTER.....	1	5,405	1	5,405	1	5,405	--	---	---
MINESWEEPING SYSTEM REPLACEMENT.....	--	4,821	--	4,821	--	4,821	--	---	---
OMEGA SHIPBOARD EQUIPMENT.....	36	1,333	36	1,333	36	1,333	--	---	---
NAVSTAR GPS RECEIVERS.....	179	17,429	179	17,429	179	17,429	--	---	---
HF LINK-11 DATA TERMINALS.....	--	1,100	--	1,100	--	1,100	--	---	---
ARMED FORCES RADIO AND TV.....	--	6,329	--	6,329	--	6,329	--	---	---
STRATEGIC PLATFORM SUPPORT EQUIPMENT.....	--	92,626	--	92,626	--	92,626	--	---	---
TRAINING EQUIPMENT									
OTHER NAVJEX TRAINING EQUIPMENT.....	--	---	--	---	--	---	--	---	---
OTHER NAVSEA TRAINING EQUIPMENT.....	--	447	--	447	--	447	--	---	---
AVIATION ELECTRONIC EQUIPMENT									
NAVJALS.....	--	10,058	--	10,058	--	10,058	--	---	---

[in thousands of dollars]

	1989 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
SHIPBOARD AIR TRAFFIC CONTROL.....	--	1,322	--	1,322	--	1,322	--	--	--	--	--	--
AUTOMATIC CARRIER LANDING SYSTEMS.....	--	1,331	--	1,331	--	1,331	--	--	--	--	--	--
TACAN.....	--	2,834	--	2,834	--	2,834	--	--	--	--	--	--
AIR STATION SUPPORT EQUIPMENT.....	--	4,470	--	4,470	--	4,470	--	--	--	--	--	--
MICROWAVE LANDING SYSTEM.....	15	7,505	15	7,505	15	7,505	--	--	--	--	--	--
FACSFAC.....	--	1,797	--	1,797	--	1,797	--	--	--	--	--	--
RADAR AIR TRAFFIC CONTROL.....	5	323	5	323	5	323	--	--	--	--	--	--
MK XII AINS IFF.....	--	7,486	--	7,486	--	7,486	--	--	--	--	--	--
OTHER SHORE ELECTRONIC EQUIPMENT												
NAVAL SPACE SURVEILLANCE SYSTEM.....	--	11,483	--	11,483	--	11,483	--	--	--	--	--	--
SPACE SYSTEM PROCESSING.....	--	1,990	--	1,990	--	1,990	--	--	--	--	--	--
MULTOTS.....	--	1,561	--	1,561	--	1,561	--	--	--	--	--	--
MCCS ASHORE.....	--	15,735	--	15,735	--	15,735	--	--	--	--	--	--
RADIAC.....	--	6,284	--	6,284	--	6,284	--	--	--	--	--	--
OVER THE HORIZON RADAR.....	2	163,564	1	91,064	2	163,564	--	--	--	--	--	472,500
GPETE.....	--	26,636	--	26,636	--	26,636	--	--	--	--	--	--
INTEG COMBAT SYS TEST FACILITY.....	--	3,553	--	3,553	--	3,553	--	--	--	--	--	--
CALIBRATION STANDARDS.....	--	7,605	--	7,605	--	7,605	--	--	--	--	--	--
EMI CONTROL INSTRUMENTATION.....	--	6,978	--	6,978	--	6,978	--	--	--	--	--	--
SHORE ELEC ITEMS UNDER \$2.0 MILLION.....	--	26,457	--	26,457	--	26,457	--	--	--	--	--	--
SHIPBOARD COMMUNICATIONS												
SHIPBOARD HF COMMUNICATIONS.....	--	915	--	915	--	915	--	--	--	--	--	--
SHIPBOARD UHF COMMUNICATIONS.....	--	2,270	--	2,270	--	2,270	--	--	--	--	--	--
PORTABLE RADIOS.....	641	5,564	641	5,564	641	5,564	--	--	--	--	--	--

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
SHIP COMMUNICATIONS AUTOMATION.....	--	6,144	--	6,144	--	6,144	--	--	--	--	--	--
SHIP COMM ITEMS UNDER \$2.0 MILLION.....	--	3,516	--	3,516	--	3,516	--	--	--	--	--	--
SEALIFT SHIP COMMUNICATIONS.....	--	2,958	--	2,958	--	2,958	--	--	--	--	--	--
SUBMARINE COMMUNICATIONS												
SHORE LF/VLF COMMUNICATIONS.....	--	4,332	--	4,332	--	4,332	--	--	--	--	--	--
VERDIN.....	--	3,930	--	3,930	--	3,930	--	--	--	--	--	--
SSN INTEGRATED COMMUNICATIONS.....	--	2,537	--	2,537	--	2,537	--	--	--	--	--	--
SUBMARINE COMMUNICATION ANTENNAS.....	--	11,315	--	11,315	--	11,315	--	--	--	--	--	--
SATELLITE COMMUNICATIONS												
SATCOM SHIP TERMINALS.....	--	19,190	--	19,190	--	19,190	--	--	--	--	--	--
SATCOM SHORE TERMINALS.....	--	9,251	--	9,251	--	9,251	--	--	--	--	--	--
SHORE COMMUNICATIONS												
JCS COMMUNICATIONS EQUIPMENT.....	--	2,875	--	2,875	--	2,875	--	--	--	--	--	--
ELECTRICAL POWER SYSTEMS.....	--	518	--	518	--	518	--	--	--	--	--	--
SHORE HF COMMUNICATIONS.....	--	2,969	--	2,969	--	2,969	--	--	--	--	--	--
DCS TECH CONTROL IMPROVEMENTS.....	--	1,282	--	1,282	--	1,282	--	--	--	--	--	--
VOICE FREO CARRIER TELEGRAPH.....	400	2,956	400	2,956	400	2,956	--	--	--	--	--	--
WORLDWIDE WIDEAREA COMM.....	--	2,049	--	2,049	--	2,049	--	--	--	--	--	--
NAVPCCS COMMUNICATIONS EQUIPMENT.....	--	1,129	--	1,129	--	1,129	--	--	--	--	--	--
SHORE COMMUNICATIONS AUTOMATION.....	--	7,079	--	7,079	--	7,079	--	--	--	--	--	--
SHORE COMM ITEMS UNDER \$2.0 MILLION.....	--	2,056	--	2,056	--	2,056	--	--	--	--	--	--

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
CRYPTOGRAPHIC EQUIPMENT												
SINGLE AUDIO SYSTEM.....	--	4,634	--	--	4,634	--	--	4,634	--	--	--	--
TSEC/KY-71/72 (STU-II/STU-IIM).....	--	25,315	--	--	25,315	--	--	25,315	--	--	--	--
TSEC/KG-84.....	--	36,046	--	--	36,046	--	--	36,046	--	--	--	--
TSEC/KY-57/58 (VINSON).....	--	20,650	--	--	20,650	--	--	20,650	--	--	--	--
TSEC/KYV-5 (ANDVT).....	--	47,546	--	--	47,546	--	--	47,546	--	--	--	--
TSEC/KG-81 (WALBURN).....	--	2,111	--	--	2,111	--	--	2,111	--	--	--	--
BLACKER CRYPTO.....	--	1,330	--	--	1,330	--	--	1,330	--	--	--	--
TSEC/KG-58/KGV-6 (PLRS).....	--	3,809	--	--	3,809	--	--	3,809	--	--	--	--
TRITAC CRYPTO.....	--	16,416	--	--	16,416	--	--	16,416	--	--	--	--
TSEC/KGV-11.....	444	6,790	444	444	6,790	444	444	6,790	--	--	--	--
COMMON FILL DEVICES.....	--	519	--	--	519	--	--	519	--	--	--	--
SIGNAL SECURITY.....	--	390	--	--	390	--	--	390	--	--	--	--
CRYPTOGRAPHIC ITEMS UNDER \$2 MILLION.....	--	14,322	--	--	14,322	--	--	14,322	--	--	--	--
CRYPTOLOGIC EQUIPMENT												
CRYPTOLOGIC COMMUNICATIONS EQUIP.....	--	2,623	--	--	2,623	--	--	2,623	--	--	--	--
SHIPS SIGNAL EXPLOITATION SPACE.....	--	5,707	--	--	5,707	--	--	5,707	--	--	--	--
CRYPTOLOGIC ITEMS UNDER \$2 MILLION.....	--	2,034	--	--	2,034	--	--	2,034	--	--	--	--
CRYPTOLOGIC RESERVES EQUIPMENT.....	--	1,929	--	--	1,929	--	--	1,929	--	--	--	--
CRYPTOLOGIC FIELD TRAINING EQUIP.....	--	956	--	--	956	--	--	956	--	--	--	--
SHORE CRYPTOLOGIC SUPPORT SYSTEM.....	--	1,317	--	--	1,317	--	--	1,317	--	--	--	--
OTHER ELECTRONIC SUPPORT												
WAR RESERVE.....	--	582	--	--	582	--	--	582	--	--	--	--

[in thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
ELEC ENGINEERED MAINT (NAVSEA).....	---	458	---	458	---	458	---	---	---	---	---	---
ELEC ENGINEERED MAINT (NAVELEX).....	---	1,388	---	1,388	---	1,388	---	---	---	---	---	---
LARGE SCREEN DISPLAY.....	---	---	---	2,000	---	---	---	---	---	---	---	-2,000
REGENCY NET PACIFIC.....	---	---	---	---	---	---	---	---	---	---	---	---
REVISED SHIP OVERHAUL SCHEDULE.....	---	---	---	-78,800	---	---	---	---	---	---	---	+78,800
INFLATED COST ESTIMATES.....	---	---	---	-15,200	---	---	---	---	---	---	---	+15,200
AREOSTAT RADAR FOR PATUXENT, MD NAS.....	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT.....	---	1,575,264	---	1,434,664	---	1,575,264	---	---	---	---	---	+140,600
AVIATION SUPPORT EQUIPMENT												
SOWBODUYS												
AM/SSQ-36 (BT).....	30,173	4,390	30,173	4,390	30,173	4,390	---	---	---	---	---	---
AM/SSQ-53 (BIFAR).....	108,666	47,695	108,666	47,695	108,666	47,695	---	---	---	---	---	---
AM/SSQ-57 (SPECIAL PURPOSE).....	11,564	2,835	11,564	2,835	11,564	2,835	---	---	---	---	---	---
AM/SSQ-62 (DICASS).....	15,026	22,984	15,026	22,984	15,026	22,984	---	---	---	---	---	---
AM/SSQ-77 (ULAD).....	32,644	23,616	32,644	23,616	32,644	23,616	---	---	---	---	---	---
SIGNAL UNDERWATER SOUND (SUS).....	4,900	1,859	4,900	1,859	4,900	1,859	---	---	---	---	---	---
GENERAL INCREASE, SOWBODUYS.....	---	---	---	56,700	---	30,000	---	+30,000	---	---	---	-26,700
AIR LAUNCHED ORDNANCE												
SKIPPER.....	---	---	---	---	---	---	---	---	---	---	---	---
GENERAL PURPOSE BOMBS.....	---	31,264	---	96,664	---	56,264	---	+25,000	---	---	---	-40,400
LASER GUIDED BOMB KITS.....	---	---	---	---	---	---	---	---	---	---	---	---
WALLEYE.....	---	4,251	---	4,251	---	4,251	---	---	---	---	---	---

[In thousands of dollars]

	1968 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			(10)
ROCKETEY.....	--	914	--	16,914	--	914	--	--	--	--	--	-16,000
ZUNI ROCKET.....	--	--	--	--	--	--	--	--	--	--	--	--
2.75 INCH ROCKET.....	--	18,731	--	9,331	--	9,331	--	-9,400	--	--	--	--
PARACHUTE FLARES.....	--	--	--	--	--	--	--	--	--	--	--	--
MACHINE GUN AMMUNITION.....	--	13,005	--	13,005	--	13,005	--	--	--	--	--	--
PRACTICE BOMBS.....	--	43,024	--	45,124	--	53,024	--	+10,000	--	--	--	47,900
CARTRIDGES + CARTRIDGE ACTUATED DEVICES.....	--	1,927	--	28,127	--	1,927	--	--	--	--	--	-26,200
AIRCRAFT ESCAPE ROCKETS.....	--	3,579	--	3,579	--	3,579	--	--	--	--	--	--
AIRBORNE EXPENDABLE COUNTERMEASURES.....	--	17,526	--	17,526	--	17,526	--	--	--	--	--	--
MARINE LOCATION MARKERS.....	--	6,503	--	6,503	--	6,503	--	--	--	--	--	--
DEFENSE NUCLEAR AGENCY MATERIAL.....	--	--	--	--	--	--	--	--	--	--	--	--
BIGEYE CHEMICAL WEAPON.....	--	9,900	--	--	--	5,000	--	-4,900	--	--	--	+5,000
JATOS.....	--	4,846	--	1,746	--	1,746	--	-3,100	--	--	--	--
GATOR.....	563	13,364	563	13,364	563	13,364	--	--	--	--	--	--
MISC AIR LAUNCHED ORDNANCE.....	--	2,178	--	1,178	--	1,178	--	-1,000	--	--	--	--
AIRCRAFT SUPPORT EQUIPMENT												
WEAPONS RANGE SUPPORT EQUIPMENT.....	--	57,163	--	57,163	--	57,163	--	--	--	--	--	--
EXPEDITIONARY AIRFIELDS.....	--	8,670	--	8,670	--	8,670	--	--	--	--	--	--
AIRCRAFT REARMING EQUIPMENT.....	--	11,864	--	11,864	--	11,864	--	--	--	--	--	--
CATAPULTS AND ARRESTING GEAR.....	--	20,847	--	20,847	--	20,847	--	--	--	--	--	--
METEOROLOGICAL EQUIPMENT.....	--	22,590	--	22,590	--	22,590	--	--	--	--	--	--
OTHER PHOTOGRAPHIC EQUIPMENT.....	--	1,905	--	1,905	--	1,905	--	--	--	--	--	--
MISC SURVIVAL EQUIPMENT.....	--	5,765	--	5,765	--	5,765	--	--	--	--	--	--
AIRBORNE MINE COUNTERMEASURES.....	--	22,588	--	22,588	--	22,588	--	--	--	--	--	--
LAMPS MK III SHIPBOARD EQUIPMENT.....	--	8,180	--	8,180	--	8,180	--	--	--	--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
REMSON PHOTOGRAPHIC EQUIPMENT.....	--	3,337	--	3,337	--	3,337	--	--	--	--	--	--
STOCK SURVEILLANCE EQUIPMENT.....	--	2,807	--	2,807	--	2,807	--	--	--	--	--	--
OTHER AVIATION SUPPORT EQUIPMENT.....	--	29,143	--	12,104	--	12,104	--	-17,039	--	--	--	--
INFLATED COST ESTIMATES.....	--	--	--	-1,900	--	--	--	--	--	--	--	+1,900
TOTAL: AVIATION SUPPORT EQUIPMENT.....		469,250		593,311		498,811		429,561		-94,500		
ORDNANCE SUPPORT EQUIPMENT												
SHIP GUN AMMUNITION												
3 /50 GUN AMMUNITION.....	--	993	--	993	--	993	--	--	--	--	--	--
5 /38 GUN AMMUNITION.....	--	4,630	--	4,630	--	4,630	--	--	--	--	--	--
5 /54 GUN AMMUNITION.....	--	48,562	--	28,162	--	28,162	--	-20,400	--	--	--	--
16 INCH GUN AMMUNITION.....	--	24,139	--	9,339	--	9,339	--	-14,800	--	--	--	--
CIMS AMMUNITION.....	--	40,744	--	40,744	--	40,744	--	--	--	--	--	--
76MM GUN AMMUNITION.....	--	9,479	--	9,479	--	9,479	--	--	--	--	--	--
OTHER SHIP GUN AMMUNITION.....	--	17,986	--	17,986	--	17,986	--	--	--	--	--	--
SHIP GUN SYSTEM EQUIPMENT												
GUN FIRE CONTROL EQUIPMENT.....	--	7,951	--	7,951	--	7,951	--	--	--	--	--	--
SHIP MISSILE SYSTEMS EQUIPMENT												
MK 92 FIRE CONTROL SYSTEM.....	1	8,145	1	8,145	1	8,145	--	--	--	--	--	-78,000
MK-92 CORT.....	--	--	6	78,000	--	--	--	--	--	--	-6	--
HARPDOON SUPPORT EQUIPMENT.....	--	42,878	--	42,878	--	42,878	--	--	--	--	--	--

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)
TERRIER SUPPORT EQUIPMENT.....	--	47,265	--	47,265	--	47,265	--	47,265	--	--	--	--
TARTAR SUPPORT EQUIPMENT.....	--	61,319	--	61,319	--	61,319	--	61,319	--	--	--	--
POINT DEFENSE SUPPORT EQUIPMENT (MYP).....	--	34,401	--	34,401	--	34,401	--	34,401	--	--	--	--
AIRBORNE ECM/ECCH.....	--	1,079	--	1,079	--	1,079	--	1,079	--	--	--	--
AEGIS SUPPORT EQUIPMENT.....	--	39,135	--	39,135	--	39,135	--	39,135	--	--	--	--
SURFACE TOMAHAWK SUPPORT EQUIPMENT.....	--	37,995	--	37,995	--	37,995	--	37,995	--	--	--	--
SUBMARINE TOMAHAWK SUPPORT EQUIPMENT.....	--	2,611	--	2,611	--	2,611	--	2,611	--	--	--	--
VERTICAL LAUNCH SYSTEM.....	3	78,349	3	78,349	3	78,349	3	78,349	--	--	--	--
FBM SUPPORT EQUIPMENT.....	--	384,723	--	384,723	--	384,723	--	384,723	--	--	--	--
STRATEGIC PLATFORM SUPPORT EQUIPMENT.....	--	384,723	--	384,723	--	384,723	--	384,723	--	--	--	--
ASM SUPPORT EQUIPMENT.....	--	72,974	--	72,974	--	72,974	--	72,974	--	--	--	--
MK 117 FIRE CONTROL SYSTEM.....	--	9,100	--	9,100	--	9,100	--	9,100	--	--	--	--
SUBMARINE ASM SUPPORT EQUIPMENT.....	--	26,192	--	26,192	--	26,192	--	26,192	--	--	--	--
SURFACE ASM SUPPORT EQUIPMENT.....	--	5,314	--	5,314	--	5,314	--	5,314	--	--	--	--
ASM RANGE SUPPORT EQUIPMENT.....	--	11,460	--	11,460	--	11,460	--	11,460	--	--	--	--
OTHER ORDNANCE SUPPORT EQUIPMENT.....	--	4,150	--	4,150	--	4,150	--	4,150	--	--	--	--
EXPLOSIVE ORDNANCE DISPOSAL EQUIP.....	--	2,581	--	2,581	--	2,581	--	2,581	--	--	--	--
SWIMMER WEAPONS SYSTEMS (SOF).....	--	5,846	6	5,846	6	5,846	6	5,846	--	--	--	--
UNMANNED SEABORNE TARGET.....	6	3,600	--	3,600	--	3,600	--	3,600	--	--	--	--
ANTI-SHIP MISSILE DECOY SYSTEMS.....	--	932	--	932	--	932	--	932	--	--	--	--
CALIBRATION EQUIPMENT.....	--	2,336	--	2,336	--	2,336	--	2,336	--	--	--	--
STOCK SURVEILLANCE EQUIPMENT.....	--	2,336	--	2,336	--	2,336	--	2,336	--	--	--	--
OTHER ORDNANCE TRAINING EQUIPMENT.....	--	2,336	--	2,336	--	2,336	--	2,336	--	--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	(1)	Qty.	Amount	(2)	Qty.	Amount	(3)	Qty.	Budget amount	House amount
											(8)	(10)
OTHER EXPENDABLE ORDNANCE												
SMALL ARMS AND LANDING PARTY ARMO.....	--	33,444	--	--	33,444	--	--	33,444	--	--	--	--
SMALL ARMS & LANDING PARTY ARMO (SOF).....	--	3,495	--	--	3,495	--	--	3,495	--	--	--	--
PYROTECHNIC AND DEMOLITION MATERIAL.....	--	119	--	--	119	--	--	119	--	--	--	--
PYROTECHNIC AND DEMOLITION (SOF).....	--	23,379	--	--	23,379	--	--	23,379	--	--	--	--
QUICKSTRIKE.....	--	23,072	--	--	23,072	--	--	23,072	--	--	--	--
FLEET MINE SUPPORT EQUIPMENT.....	--	20,719	--	--	20,719	--	--	20,719	--	--	--	--
MINE NEUTRALIZATION DEVICES.....	--	3,633	--	--	3,633	--	--	3,633	--	--	--	--
DEFENSE NUCLEAR AGENCY MATERIAL.....	--	7,608	--	--	7,608	--	--	7,608	--	--	--	--
SHIPBOARD EXPENDABLE COUNTERMEASURES.....	--	18,233	--	--	18,233	--	--	18,233	--	--	--	--
GENERAL REDUCTION, SUPPORT EQUIP.....	--	--	--	--	--	--	--	--	--	--	--	--
REVISED SHIP OVERHAUL SCHEDULE.....	--	--	--	--	-50,000	--	--	--	--	--	--	+50,000
INFLATED COST ESTIMATES.....	--	--	--	--	-8,900	--	--	--	--	--	--	-8,900
UNALLOCATED INCREASE - AMMUNITION.....	--	--	--	--	25,000	--	--	--	--	--	--	-25,000
TOTAL, ORDNANCE SUPPORT EQUIPMENT.....		1,170,571			1,179,471			1,135,371			-35,200	-44,100
CIVIL ENGINEERING SUPPORT EQUIPMENT												
PASSENGER CARRYING VEHICLES.....	448	5,312	448	448	5,312	448	448	5,312	448	448	--	--
ARMORED SEDANS.....	2	191	2	2	191	2	2	191	2	2	--	--
TRUCKS.....	1,858	29,405	1,858	1,858	29,405	1,858	1,858	18,991	1,858	1,858	-10,414	-10,414
TRAILERS.....	121	1,304	121	121	1,304	121	121	1,304	121	121	--	--
CRUSH, MIX, BATCH, PAVE EQUIPMENT.....	--	879	--	--	879	--	--	879	--	--	--	--
DRILLING AND BLASTING EQUIPMENT.....	--	761	--	--	761	--	--	761	--	--	--	--
EARTH MOVING EQUIPMENT.....	97	6,985	97	97	6,985	97	97	6,985	97	97	--	--
LIGHTING AND POWER GENERATING EQUIP.....	--	608	--	--	608	--	--	608	--	--	--	--

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
MISC CONSTRUCTION AND MAINTENANCE EQUIP.....	--	3,020	--	3,020	--	3,020	--	--	--	--	--	--
FIRE FIGHTING EQUIPMENT.....	48	9,748	48	9,748	48	9,748	--	--	--	--	--	--
WEIGHT HANDLING EQUIPMENT.....	30	5,714	30	5,714	30	5,714	--	--	--	--	--	--
AMPHIBIOUS EQUIPMENT.....	--	15,437	--	30,437	--	30,437	--	--	--	115,000	--	--
COMBAT CONSTRUCTION SUPPORT EQUIPMENT.....	--	11,084	--	11,084	--	11,084	--	--	--	--	--	--
MOBILE UTILITIES SUPPORT EQUIPMENT.....	--	3,653	--	3,653	--	3,653	--	--	--	--	--	--
COLLATERAL EQUIPMENT.....	--	1,620	--	1,620	--	1,620	--	--	--	--	--	--
OCEAN CONSTRUCTION EQUIPMENT.....	--	1,463	--	1,463	--	1,463	--	--	--	--	--	--
FLEET MOORINGS.....	--	3,888	--	3,888	--	3,888	--	--	--	--	--	--
POLLUTION CONTROL EQUIPMENT.....	--	2,103	--	2,103	--	2,103	--	--	--	--	--	--
OTHER CIVIL ENG SUPPORT EQUIPMENT.....	--	1,300	--	1,300	--	1,300	--	--	--	--	--	--
INFLATED COST ESTIMATES.....	--	--	--	-1,000	--	--	--	--	--	--	--	+1,000
TOTAL, CIVIL ENGINEERING SUPPORT EQUIPMENT.....	--	104,475	--	118,475	--	109,061	--	14,586	--	--	--	-9,414
SUPPLY SUPPORT EQUIPMENT												
FORKLIFT TRUCKS.....	301	9,520	301	9,520	301	9,520	--	--	--	--	--	--
OTHER MATERIALS HANDLING EQUIPMENT.....	--	3,270	--	3,270	--	3,270	--	--	--	--	--	--
AUTOMATED MATERIALS HANDLING SYSTEMS.....	--	3,544	--	3,544	--	3,544	--	--	--	--	--	--
OTHER SUPPLY SUPPORT EQUIPMENT.....	--	4,079	--	4,079	--	4,079	--	--	--	--	--	--
POLLUTION CONTROL EQUIPMENT.....	--	720	--	720	--	720	--	--	--	--	--	--
SPECIAL PURPOSE SUPPLY SYSTEMS.....	--	84,162	--	84,162	--	84,162	--	--	--	--	--	+1,000
INFLATED COST ESTIMATES.....	--	--	--	-1,000	--	--	--	--	--	--	--	--
TOTAL, SUPPLY SUPPORT EQUIPMENT.....	--	105,295	--	104,295	--	105,295	--	--	--	--	--	+1,000

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)			
PERSONNEL AND COMMAND SUPPORT EQUIPMENT												
TRAINING DEVICES												
SURFACE SONAR TRAINERS.....	--	29,558	--	29,558	--	29,558	--	--	--	--	--	--
SUBMARINE SONAR TRAINERS.....	--	8,162	--	8,162	--	8,162	--	--	--	--	--	--
SURFACE COMBAT SYSTEM TRAINERS.....	--	23,984	--	23,984	--	23,984	--	--	--	--	--	--
SUBMARINE COMBAT SYSTEM TRAINERS.....	--	14,283	--	14,283	--	14,283	--	--	--	--	--	--
SHIP SYSTEM TRAINERS.....	--	4,685	--	16,585	--	16,585	--	--	--	+11,900	--	--
TRAINING SUPPORT EQUIP.....	--	4,524	--	4,524	--	4,524	--	--	--	--	--	--
TRAINING DEVICE MODIFICATIONS.....	--	1,759	--	1,759	--	1,759	--	--	--	--	--	--
COMMAND SUPPORT EQUIPMENT												
COMMAND SUPPORT EQUIPMENT.....	--	15,163	--	15,163	--	15,163	--	--	--	--	--	--
EDUCATION SUPPORT EQUIPMENT.....	--	4,164	--	4,164	--	4,164	--	--	--	--	--	--
MEDICAL SUPPORT EQUIPMENT.....	--	49,679	--	49,679	--	49,679	--	--	--	--	--	423,396
INTELLIGENCE SUPPORT EQUIPMENT.....	--	58,375	--	34,979	--	58,375	--	--	--	--	--	--
ITEMS UNDER \$2 MILLION.....	--	1,010	--	1,010	--	1,010	--	--	--	--	--	--
OPERATING FORCES SUPPORT EQUIPMENT.....	--	19,266	--	19,266	--	19,266	--	--	--	--	--	--
NAVAL RESERVE SUPPORT EQUIPMENT.....	--	716	--	716	--	716	--	--	--	--	--	--
OCEANOGRAPHIC SUPPORT EQUIPMENT.....	--	19,525	--	14,525	--	19,525	--	--	--	--	--	45,000
PHYSICAL SECURITY EQUIPMENT.....	--	11,577	--	11,577	--	11,577	--	--	--	--	--	--
COMPUTER ACQUISITION PROGRAM												
COMPUTER ACQUISITION PROGRAM.....	--	185,401	--	146,800	--	146,800	--	--	--	-38,601	--	--

[In thousands of dollars]

	1989 budget		1989 House		Committee recommendation		Senate compared to—			
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
PRODUCTIVITY PROGRAMS										
PRODUCTIVITY INVESTMENT FUND (PIF).....	--	13,780	--	5,000	--	5,000	--	-8,780	--	--
PROD ENHANCING INCENTIVE FUND (PEIF).....	--	8,798	--	2,000	--	2,000	--	-6,798	--	--
INFLATED COST ESTIMATES.....	--	--	--	-4,700	--	--	--	--	--	+4,700
TOTAL, PERSONNEL AND COMMAND SUPPORT EQUIPMENT.....		474,409		399,034		432,130		-42,279		+33,096
SPARES & REPAIR PARTS										
SPARES AND REPAIR PARTS.....	--	227,196	--	227,196	--	200,000	--	-27,196	--	-27,196
REVISED SHIP OVERHAUL SCHEDULE.....	--	--	--	-6,800	--	--	--	--	--	+6,800
INFLATED COST ESTIMATES.....	--	--	--	-2,200	--	--	--	--	--	+2,200
OUTFITTING EQUIPMENT.....	--	--	--	--	--	360,000	--	+360,000	--	+360,000
TOTAL, SPARES AND REPAIR PARTS.....		227,196		218,196		560,000		+332,804		+341,804
UNDISTRIBUTED REDUCTION.....	--	--	--	--	--	--	--	--	--	--
SHIP OVERHAUL REDUCTION.....	--	--	--	--	--	-150,000	--	-150,000	--	-150,000
TOTAL, OTHER PROCUREMENT, NAVY.....		4,789,700		4,693,329		4,909,597		+119,897		+216,268

AUTHORIZATION CHANGES

The Committee recommends the following adjustments in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
General purpose bombs	31,264	56,264	+ 25,000
Strategic platform support	56,488	49,988	- 6,500
Trucks	29,405	18,991	- 10,414
Ship trainers	4,685	16,585	+ 11,900
Bigeye bomb	9,900	5,000	- 4,900

HOUSE REDUCTIONS

The Committee agrees with the following reductions proposed in the House report:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
2.75-inch rockets	18,731	9,331	- 9,400
JATOS	4,846	1,746	- 3,100
Misc. air ordnance	2,178	1,178	- 1,000
Other aviation support	29,143	12,104	- 17,039
5/54 ship gun ammo	48,562	28,162	- 20,400
16-inch ship gun ammo	24,139	9,339	- 14,800
Computers	185,401	146,800	- 38,601
Prod. incentive fund	13,780	5,000	- 8,780
Prod. enhancement fund	8,798	2,000	- 6,798

SHIP SUPPORT EQUIPMENT

The Committee recommends the following reductions consistent with House action reflecting adjustments in Navy ship overhaul schedules and the increased available inventory of ship support components from prior-year programs.

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Other Propulsion Equipment	4,874	3,518	- 1,356
Other Pumps	6,456	4,000	- 2,456
Electric Navig. Gyros	6,899	123	- 6,776
Submarine Batteries	9,363	8,456	- 898
Ship HM&E<\$2 M	26,799	26,341	- 458
Diving & Salvage Equipment	13,280	12,129	- 1,151

Small boats.—The Committee recommends the request of \$12,612,000, of which \$500,000 will be available only for a project explained in the classified annex to this report.

COMMUNICATIONS AND ELECTRONICS

Bancroft radios.—The Committee agrees with the House proposal to provide SINCGARS ICOM radios to meet the Marine Corps urgent requirement for communications sets for light armored vehicles [LAV]. The Committee establishes as both a priority and an item of special interest the provision of these radios to the Marine Corps in advance of previously scheduled recipients to limit the restricted operational capability of these vehicles to the shortest possible period. The Army and Marine Corps should jointly report their agreed plan for provision and delivery of these radios prior to any other obligation of fiscal year 1989 appropriations for SINCGARS radios.

The Committee further endorses the position that SINCGARS should serve as the basic tri-Service VHF-FM tactical radio. The House restriction on the obligation of funds for other types of VHF-FM radios should not apply to the procurement of radios for which the SINCGARS would not be operationally suitable, such as hand-held, short-range communications equipment.

AN/SQQ-89 surface ASW combat system.—The Committee disagrees with the House direction to provide sufficient funds from within the "Other Procurement, Navy" appropriation to proceed with system modifications in fiscal year 1990 to install the acoustic video processor [AVP] on the AN/SQQ-89 system. The Navy estimates that this project would require at least \$15,000,000 to be transferred from other high-priority programs to accommodate the House requirement. The Navy intends to consider installation of the AVP in the 1991-92 timeframe in conjunction with other upgrades to the AN/SQQ-89. The Navy should proceed according to the existing schedule and not attempt to introduce this modification in advance of necessary technological development and efficient and economical acquisition and installation.

Relocatable over the horizon radar [ROTHR].—The Committee recommends the request of \$163,564,000. The Committee disagrees with the House reduction and supports the planned simultaneous installation of two ROTHR sectors as proposed.

AVIATION SUPPORT EQUIPMENT

Sonobuoy increase.—The Committee recommends \$30,000,000 for increased procurement of sonobuoys. The Committee recognizes both the economic benefit of increased sonobuoy production and the operational requirement for sufficient war reserve stocks and training assets in proposing this increase to the budget.

Practice bombs.—The Committee recommends an increase of \$10,000,000 to the request of \$43,024,000 for various Navy practice bombs. This additional funding will provide sufficient training assets to maintain aircrew ordnance delivery proficiency.

ORDNANCE SUPPORT EQUIPMENT

Deadeye.—The Committee agrees with the House provision (sec. 8065) prohibiting additional procurement of the 5-inch guided projectile. Remaining prior-year appropriations are transferred to other Navy programs.

CIVIL ENGINEERING SUPPORT EQUIPMENT

Amphibious equipment.—The Committee recommends an increase of \$15,000,000 to the request of \$15,437,000. These additional funds will provide for execution of the final multiyear contract option for the Offshore Petroleum Discharge System [OPDS].

SPARE AND REPAIR PARTS

Spares.—The Committee recommends a reduction of \$27,196,000 in the request of \$227,196,000. This adjustment reflects programmatic changes in "Other procurement, Navy" programs addressed in this report.

SHIP OVERHAUL ADJUSTMENT

The Committee has reviewed the House proposal to reduce various "Other procurement, Navy" acquisition programs in accordance with changes and delays in Navy ship overhauls. The Committee agrees that schedule changes and ship retirement decisions related to the significant budget reductions imposed for fiscal year 1989 have created imbalances in the availability of components and the budget requests for these items. The Committee recommends a reduction of \$150,000,000 to be applied against the appropriation account. At this time the Navy cannot provide a detailed list of specific items not required for the fiscal year 1989 program. The Navy should provide this report and a revised "Other procurement, Navy" P-1 budget display reflecting these adjustments to the House and Senate Committees on Appropriations by November 1, 1988.

SHIP OUTFITTING TRANSFER

The Committee proposes an increase of \$360,000,000 to reflect the realignment of ship components and spare parts related to ship modernization upgrades from the "Operations and maintenance, Navy" appropriation to this account. These items are centrally managed and should be purchased through the procurement appropriation. This transfer is discussed in detail in the "Operations and maintenance, Navy" section of this report.

RESTORED HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Firefighting equipment	14,372	13,790	14,372
Sealift support equip.....	21,799	41,799	21,799
SQR-17A		10,000	
SQR-18	320	14,220	320
Large screen display.....		2,000	
Rockeye bomb	914	16,914	914
Cartridges	1,927	26,200	1,927
Mk. 92 CORT		78,000	
Munitions increase.....		25,000	
Intelligence support	58,375	34,979	58,375
Oceanographic support	19,525	14,525	19,525
ROTHR	163,564	91,064	163,564

PROCUREMENT, MARINE CORPS

1988 appropriation	\$1,295,599,000
1989 budget estimate	1,157,300,000
House allowance	1,311,322,000
Committee recommendation.....	1,265,067,000

The Committee recommends an appropriation of \$1,265,067,000, an increase of \$107,767,000 above the President's budget and \$46,255,000 less than the House allowance.

This appropriation provides the Marine Corps with funds for the procurement, delivery, and modification of missiles, armament, ammunition, communication equipment, tracked and wheeled vehicles, and various support equipment.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Budget amount	Qty.	House amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
PROCUREMENT, MARINE CORPS												
AMMUNITION												
5.56 MM, ALL TYPES.....	--	14,632	--	14,632	--	14,632	--	--	--	--	--	
7.62 MM, ALL TYPES.....	--	2,630	--	2,630	--	2,630	--	--	--	--	--	
LINEAR CHARGES, ALL TYPES.....	--	5,390	--	5,390	--	5,390	--	--	--	--	--	
.50 CALIBER.....	--	1,702	--	1,702	--	1,702	--	--	--	--	--	
SMALL ARMS AMMO:												
CTG 5.56MM BALL M855.....	--	--	--	--	--	--	--	--	--	--	--	
CTG 9MM BALL M882.....	--	--	--	--	--	--	--	--	--	--	--	
CTG 40MM HE DP M433.....	--	--	--	--	--	--	--	--	--	--	--	
40 MM, ALL TYPES.....	--	13,586	--	13,586	--	13,586	--	--	--	--	--	
60MM ILLUM M721.....	--	14,273	--	14,273	--	14,273	--	--	--	--	--	
60MM SMOKE WP.....	--	6,095	--	6,095	--	6,095	--	--	--	--	--	
60MM HE M888.....	--	6,852	--	6,852	--	6,852	--	--	--	--	--	
81MM HE.....	--	32,275	--	32,275	--	32,275	--	--	--	--	--	
81MM SMOKE RP M819.....	--	13,081	--	13,081	--	13,081	--	--	--	--	--	
81MM TP M879.....	--	4,783	--	4,783	--	4,783	--	--	--	--	--	
120MM HEAT WP-T M830.....	--	5,373	--	10,373	--	5,373	--	--	--	--	-5,000	
120MM TP-T M831.....	--	1,400	--	3,400	--	1,400	--	--	--	--	-2,000	
155 MM HE ADAM.....	--	4,882	--	4,882	--	4,882	--	--	--	--	--	
155 MM HE RAAMS.....	--	10,232	--	10,232	--	10,232	--	--	--	--	--	
155MM HE DP ICM483.....	--	5,004	--	5,004	--	5,004	--	--	--	--	--	
155MM CM6, PROP, RED BAG.....	--	5,905	--	5,905	--	5,905	--	--	--	--	--	
155MM CM6, PROP, WHITE BAG.....	--	6,266	--	6,266	--	6,266	--	--	--	--	--	

[In thousands of dollars]

	1988 budget		1988 House		Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TRAINING AMMO:										
CTG 40MM TP F/MK19.....	---	---	---	---	---	---	---	---	---	---
CTG 40MM PRAC M781.....	---	---	---	---	---	---	---	---	---	---
CTG 81MM TP XM879.....	---	---	---	---	---	---	---	---	---	---
LINE CHARGE PRAC (TBLR) HTD.....	---	---	---	---	---	---	---	---	---	---
LINE CHARGE PRAC LVT HTD.....	---	---	---	---	---	---	---	---	---	---
CTG 5.56MM BLANK LKD (SAM).....	---	---	---	---	---	---	---	---	---	---
CTG 5.56MM BLANK M200.....	---	---	---	---	---	---	---	---	---	---
CTG 7.62MM BLANK LINKED.....	---	---	---	---	---	---	---	---	---	---
ROCKET 83MM PRACTICE F/HEAA.....	---	---	---	---	---	---	---	---	---	---
AMMO MODERNIZATION.....	---	19,056	---	19,056	---	19,056	---	---	---	---
OTHER SUPPORT										
ITEMS LESS THAN \$2 MIL.....	---	2,742	---	2,742	---	2,742	---	---	---	---
UNALLOCATED INCREASE - AMMUNITION.....	---	---	---	131,000	---	---	---	---	---	-131,000
TOTAL, AMMUNITION.....	---	225,306	---	363,306	---	225,306	---	---	---	-138,000
WEAPONS AND COMBAT VEHICLES										
TRACKED COMBAT VEHICLES										
AAV7A1 PIP.....	---	47,828	---	47,828	---	47,828	---	---	---	---
MODIFICATION KITS.....	---	---	---	---	---	---	---	---	---	---
M-1 A1 MAIN BATTLE TANK (MYP).....	14	36,000	66	140,600	66	140,600	452	4104,600	---	---

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—			House amount
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	Budget amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)			
M-1 A1 MAIN BATTLE TANK (MYP) (AP-CY).....	--	--	--	--	--	--	--	--	--	--	--	--	--
M1 TANK TRAINER.....	--	--	--	--	--	--	--	--	--	--	--	--	--
ITEMS UNDER \$2M (TRKD VEH).....	--	295	--	295	--	295	--	295	--	--	--	--	--
ARTILLERY AND OTHER WEAPONS													
PDS AZIMUTH DETERM SYSTEM (PADS).....	--	--	--	--	--	--	--	--	--	--	--	--	--
ITEMS UNDER \$2M (ALL OTHER).....	--	735	--	735	--	735	--	735	--	--	--	--	--
WEAPONS													
9MM HANDGUN.....	13,589	3,230	13,589	3,230	13,589	3,230	--	--	--	--	--	--	--
5.56MM SQUAD AUTOMATIC WEAPON.....	572	1,769	572	1,769	572	1,769	--	--	--	--	--	--	--
M16A2 5.56MM RIFLE.....	9,427	5,119	9,427	5,119	9,427	5,119	--	--	--	--	--	--	--
M-4 CARBINE.....	1,500	1,005	--	--	--	--	-1,500	-1,005	--	--	--	--	--
MK-19 40MM MACHINE GUN.....	--	--	--	--	--	--	--	4,970	--	4,970	--	4,970	--
MORTAR, MED, EXTENDED RANGE.....	--	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL, WEAPONS AND COMBAT VEHICLES.....		95,981		199,576		204,546		108,565		14,970		14,970	
GUIDED MISSILES AND EQUIPMENT													
GUIDED MISSILES													
HAWK (MYP).....	467	105,509	467	105,509	467	105,509	--	--	--	--	--	--	--
HAWK (MYP) (AP-CY).....	--	34,205	--	--	--	34,205	--	--	--	--	--	--	34,205
HAWK MOD.....	--	5,828	--	5,828	--	5,828	--	--	--	--	--	--	--
STINGER (MYP).....	3,115	145,029	3,115	145,029	3,115	145,029	--	--	--	--	--	--	--

[In thousands of dollars]

	1968 budget			1969 House			Committee recommendation			Senate compared to—		
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (9)	House amount (10)		
LIGHT WEIGHT EARLY WARNING DETECTION SYSTEM.....	--	--	--	5,000	--	5,000	--	45,000	--	--		
DRAGON PIP.....	5,950	9,748	5,950	9,748	5,950	9,748	--	--	--	--		
TOW (NYP).....	2,585	28,400	2,585	28,400	2,585	28,400	--	--	--	--		
OTHER SUPPORT												
MODIFICATION KITS.....	--	1,890	--	1,890	--	1,890	--	--	--	--		
TOTAL, GUIDED MISSILES AND EQUIPMENT.....		330,609		301,404		335,609		45,000		434,205		
COMMUNICATIONS AND ELECTRONICS EQUIPMENT												
VEHICLE MOUNTED RADIOS AND EQUIPMENT												
VEHICLE MTD RADIOS & EQUIPMENT.....	--	431	--	431	--	431	--	--	--	--		
TELEPHONE AND TELETYPE EQUIPMENT												
UNIT LEVEL CIRCUIT SWITCH (ULCS).....	--	75,740	--	75,740	--	75,740	--	--	--	--		
TACT COMM CENTER EQUIP.....	--	10,167	--	10,167	--	10,167	--	--	--	--		
AW/PSB() DIGITAL COMM TERMINAL.....	867	23,001	--	--	867	23,001	--	--	4867	423,001		
REPAIR AND TEST EQUIPMENT												
AUTO TEST EQUIP SYS.....	--	8,020	--	8,020	--	8,020	--	--	--	--		
ELECTRON CALIBRATION FACILITY.....	--	--	--	--	--	--	--	--	--	--		
ELECTRONIC TEST EQUIP (TEL).....	--	2,348	--	2,348	--	2,348	--	--	--	--		
AW/GRM-114A RADIO TEST SET.....	135	875	135	875	135	875	--	--	--	--		

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
OTHER COMM/ELEC EQUIPMENT												
AN/DVT/TACTERN.....	76	2,591	76	2,591	76	2,591	--	--	--	--	--	--
OTHER SUPPORT (TEL)												
TEST CALIB + MAINT SPT.....	--	1,448	--	--	--	1,448	--	--	--	--	--	+1,448
MODIFICATION KITS (TEL).....	--	8,247	--	--	--	8,247	--	--	--	--	--	+8,247
ITEMS LESS THAN \$2M (TEL).....	--	577	--	--	--	577	--	--	--	--	--	+577
COMMAND + CONTROL SYSTEMS (NON-TEL)												
POS LOCATING RPTG SYSTEM (PLRS).....	1	29,213	1	29,213	1	29,213	--	--	--	--	--	--
TACTICAL AIR OPER MODULE (TAOM).....	7	57,359	7	57,359	7	57,359	--	--	--	--	--	--
TACTICAL RECEIVER EQUIPMENT SET.....	12	3,793	12	3,793	12	3,793	--	--	--	--	--	--
AN/UHQ 4 SEMI AUTO/DIRECT AIR SUPPORT CENTRAL.....	--	--	--	--	--	--	--	--	--	--	--	--
INTELL/COMM EQUIPMENT (NON-TEL)												
INTELLIGENCE SUPPORT EQUIPMENT.....	--	6,956	--	6,956	--	6,956	--	--	--	--	--	--
REPAIR + TEST EQUIPMENT (NON-TEL)												
ELECTRONIC TIME REPAIR FACILITY.....	--	--	--	--	--	--	--	--	--	--	--	--
CALIBRATION FACILITY, MECH.....	--	--	--	--	--	--	--	--	--	--	--	--
STE/ICE SIMPLE TEST EQ.....	150	772	150	772	150	772	--	--	--	--	--	--
MECH TEST TNDG.....	--	946	--	946	--	946	--	--	--	--	--	--
AN/UPH-137 RADAR TEST SET.....	67	4,000	67	4,000	67	4,000	--	--	--	--	--	--
ELECTRONIC TEST EQUIP (NONTEL).....	--	1,879	--	1,879	--	1,879	--	--	--	--	--	--

[In thousands of dollars]

	1989 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
OTHER COMM/elec EQUIPMENT (NON-TEL)												
NIGHT VISION EQUIPMENT.....	--	16,382	--	16,382	--	16,382	--	--	--	--	--	--
ADP EQUIPMENT.....	--	29,578	--	29,578	--	29,578	--	--	--	--	--	--
OTHER SUPPORT (NON-TEL)												
TEST CALIB & MAINT SPT (NON-TEL).....	--	1,448	--	--	--	1,448	--	--	--	--	--	1,448
MODIFICATION KITS (NONTEL).....	--	8,720	--	--	--	8,720	--	--	--	--	--	8,720
ITEMS LESS THAN \$2M (NON-TEL).....	--	131	--	131	--	131	--	--	--	--	--	--
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT.....		294,622		251,181		294,622						443,441
SUPPORT VEHICLES												
ADMINISTRATIVE VEHICLES												
COMMERCIAL PASSENGER VEHICLES.....	150	2,259	150	2,259	150	2,259	--	--	--	--	--	--
COMMERCIAL CARGO VEHICLES.....	--	12,719	--	12,719	--	12,719	--	--	--	--	--	--
TACTICAL VEHICLES												
S/AT TRUCK HMMWV (MYP).....	--	--	--	--	--	--	--	--	--	--	--	--
LOGISTICS VEHICLE SYSTEM (MYP).....	--	5,798	350	25,798	--	--	--	--	--	-5,798	-350	-25,798
TRAILERS.....	--	2,364	--	2,364	--	2,364	--	--	--	--	--	--

[In thousands of dollars]

	1968 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty.	Amount		Qty.	Amount		Qty.	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(8)	(9)	(10)
OTHER SUPPORT												
MODIFICATION KITS,.....	--	2,294		--	--		--	2,294	--	--	--	+2,294
ITEMS LESS THAN \$2 MIL,.....	--	--		--	--		--	--	--	--	--	--
TOTAL, SUPPORT VEHICLES,.....		25,434			43,140			19,636		-5,798		-23,504
ENGINEER AND OTHER EQUIPMENT												
ENGINEER AND EQUIPMENT												
ENVIRONMENTAL CONTROL EQUIP ASSORT,.....	--	2,590		--	2,590		--	2,590	--	--	--	--
HEAVY ROUGH TERRAIN CRANE,.....	19	4,921		19	4,921		19	4,921	--	--	--	--
LIGHT ROUGH TERRAIN CRANE,.....	142	8,040		142	8,040		142	8,040	--	--	--	--
TRACTORS, ALL TYPES,.....	--	11,716		--	11,716		--	11,716	--	--	--	--
CONTAINER HANDLER, ROUGH TERR,.....	--	27,751		--	27,751		--	27,751	--	--	--	--
FORKLIFTS, ALL TYPES,.....	--	--		--	--		--	--	--	--	--	--
LAUNDRY UNIT, FIELD,.....	--	--		--	--		--	--	--	--	--	--
FIELD BATH SHOWER UNIT,.....	152	3,517		152	--		152	3,517	--	--	--	+3,517
FIELD WIRING HARNESS,.....	--	--		--	--		--	--	--	--	--	--
FUEL & WATER PUMP & STORAGE MODULE,.....	--	5,671		--	5,671		--	5,671	--	--	--	--
AMPHIBIOUS ASSAULT FUEL SYSTEM,.....	--	--		--	--		--	--	--	--	--	--
TACT AIRFIELD FUEL DISP SYS,.....	--	--		--	--		--	--	--	--	--	--
TOPOGRAPHIC/SURVEY EQUIPMENT,.....	--	--		--	--		--	--	--	--	--	--
WET GAP BRIDGE SYSTEM,.....	--	--		--	--		--	--	--	--	--	--
POWER EQUIPMENT ASSORTED,.....	--	50		--	50		--	50	--	--	--	--

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
MATERIALS HANDLING EQUIPMENT												
COMMAND SUPPORT EQUIPMENT.....	--	2,881	--	2,881	--	2,881	--	--	--	--	--	--
AMPHIBIOUS RAID EQUIPMENT.....	--	1,700	--	1,700	--	1,700	--	--	--	--	--	--
PRODUCTIVITY INVESTMENT.....	--	2,044	--	2,044	--	2,044	--	--	--	--	--	--
PHYSICAL SECURITY EQUIPMENT.....	--	1,955	--	1,955	--	1,955	--	--	--	--	--	--
GARRISON MOBILE ENGR EQUIP.....	--	5,369	--	--	--	5,369	--	--	--	--	--	45,369
TELEPHONE SYSTEM.....	--	4,932	--	4,932	--	4,932	--	--	--	--	--	--
AUTO MAT HANDLING EQUIP.....	--	946	--	946	--	946	--	--	--	--	--	--
MMMC ITEMS.....	--	429	--	429	--	429	--	--	--	--	--	--
MATERIAL HANDLING EQUIP.....	--	2,199	--	2,199	--	2,199	--	--	--	--	--	--
GENERAL PROPERTY												
LIGHTWEIGHT DECONTAMINATION SYSTEM.....	282	3,630	282	3,630	282	3,630	--	--	--	--	--	--
TRAINING DEVICES (AUDIO VISUAL).....	--	1,418	--	1,418	--	1,418	--	--	--	--	--	--
TRAINING DEVICES (SIMULATORS).....	--	9,467	--	4,887	--	9,467	--	--	--	--	--	44,580
SHELTER FAMILY.....	513	19,167	--	--	513	19,167	--	--	4513	--	--	419,167
CONTAINER FAMILY.....	13,556	14,982	13,556	14,982	13,556	14,982	--	--	--	--	--	--
CHEMICAL ALARM SYSTEM.....	--	--	--	--	--	--	--	--	--	--	--	--
OTHER SUPPORT												
ITEMS LESS THAN \$2 MIL.....	--	2,877	--	2,877	--	2,877	--	--	--	--	--	--
TOTAL, ENGINEER AND OTHER EQUIPMENT.....	--	138,252	--	105,619	--	138,252	--	--	--	--	--	432,633

[In thousands of dollars]

	1988 budget		1988 House		Committee recommendation		Senate compared to—	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Budget amount	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(8)	(10)
SPARES & REPAIR PARTS	--	47,096	--	47,096	--	47,096	--	--
SPARES AND REPAIR PARTS.....								
TOTAL, PROCUREMENT, MARINE CORPS.....		1,157,300		1,311,322		1,265,067	4107,767	-46,255
COASTAL DEFENSE AUGMENTATION								
COASTAL DEFENSE AUGMENTATION.....								
E-2C.....			3	120,000				-120,000
PATROL BOATS.....			10	70,000				-70,000
HH-60 HELICOPTERS.....			6	90,000				-90,000
SECURE COMMAND, CONTROL AND COMMUNICATIONS EQUIPMENT..			--	25,000				-25,000
AIR SURVEILLANCE EQUIPMENT.....			--	45,000				-45,000
TOTAL, COASTAL DEFENSE AUGMENTATION.....				350,000				-350,000

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
M-4 carbine.....	1,005.....		- 1,005
MK-19 machinegun.....		4,970	+ 4,970
Lightweight early warning sys.....		5,000	+ 5,000

COMMITTEE RECOMMENDED ADJUSTMENTS

M-1A1 tanks.—The Marine Corps requested \$36,000,000 for the procurement of 14 M-1A1 tanks in fiscal year 1989. The Committee recommends an allowance of \$140,600,000 for the procurement of 66 tanks, an increase of \$104,600,000 over the budget request and the same allowance as the House.

The Marine Corps has informed the Committee they are fully committed to the purchase of the M1A1 tank and only a funding shortfall prevented them from requesting 66 tanks in fiscal year 1989.

Logistics vehicle system (MYP).—The Marine Corps requested \$5,798,000 for the procurement of the logistical vehicle system in fiscal year 1989. The Committee recommends denial of the Marine's request, a reduction of \$5,798,000 from the request and \$25,798,000 below the House allowance.

The Marine Corps has informed the Committee that the program requires no additional funds than already appropriated as a result of prior-year savings.

Sufficient funds to finish the multiyear have been saved because of overbudgeting for Federal excise road taxes which were not paid because the Marine vehicles were deployed overseas rather than the United States.

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
120 mm M-830 ammunition	5,373	10,373	5,373
120 mm M-831 ammunition	1,400	3,400	1,400
Unallocated ammunition increase		131,000	
Hawk missile (advance procurement)	34,205		34,205
Digital communication terminal	23,001		23,001
Test calib and maintenance spt (tel)	1,448		1,448
Modification kits (tel)	8,247		8,247
Items less than \$2,000,000 (tel)	577		577
Test calib and maintenance spt (nontel)	1,448		1,448
Modification kits (nontel)	8,720		8,720
Modification kits (other spt)	2,294		2,294
Field bath showers	3,517		3,517
Garrison mobile engineer equipment	5,369		5,369
Training devices simulators	9,467	4,887	9,467
Shelter family	19,167		19,167

AIRCRAFT PROCUREMENT, AIR FORCE

1988 appropriation	\$12,956,827,000
1989 budget estimate	16,630,000,000
House allowance	15,915,397,000
Committee recommendation	16,093,500,000

The Committee recommends an appropriation of \$16,093,500,000, a decrease of \$536,500,000 from the President's budget and \$178,103,000 more than the House allowance.

This appropriation finances the construction, procurement, modernization, and modification of aircraft and equipment, including armor and armament, specialized ground-handling equipment, and flight training simulators, spare parts, and accessories; specialized equipment; and expansion of public and private plants, Government-owned equipment, and installation.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[in thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	(1)	Qty.	Amount	(2)	Qty.	Amount	(3)	Qty.	Amount	(4)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
AIRCRAFT PROCUREMENT, AIR FORCE												
COMBAT AIRCRAFT												
TACTICAL FORCES												
F-15 D/E.....	36	1,291,605	42	1,424,505	36	1,291,605	--	--	--	-6	-132,900	
F-15 D/E (AP-CY).....	--	100,709	--	123,909	--	100,709	--	--	--	--	-23,200	
F-16 C/D (MYP).....	180	2,853,028	180	2,466,028	180	2,685,078	--	-167,950	--	--	+219,050	
F-16 C/D (MYP) (AP-CY).....	--	588,738	--	588,738	--	438,738	--	-150,000	--	--	-150,000	
OTHER COMBAT AIRCRAFT												
MC-130H - SDF.....	4	209,495	4	209,495	4	209,495	--	--	--	--	--	
MC-130H - SDF (AP-CY).....	--	--	--	--	--	--	--	--	--	--	--	
AC-130U GUNSHIP - SDF.....	6	288,287	6	288,287	6	288,287	--	--	--	--	--	
AC-130U GUNSHIP - SDF (AP-CY).....	--	29,500	--	29,500	--	29,500	--	--	--	--	--	
TOTAL, COMBAT AIRCRAFT.....		5,361,362		5,130,462		5,043,412		-317,950			-87,050	
AIRLIFT AIRCRAFT												
TACTICAL AIRLIFT												
C-17.....	4	904,113	4	900,113	4	900,113	--	-4,000	--	--	--	
C-17 (AP-CY).....	--	99,865	--	99,865	--	99,865	--	--	--	--	--	
TOTAL, AIRLIFT AIRCRAFT.....		1,003,978		999,978		999,978		-4,000			--	

[In thousands of dollars]

	1988 budget			1989 House			Committee recommendation			Senate compared to--		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)
TRAINER AIRCRAFT												
OPERATIONAL TRAINERS												
TANKER, TRANSPORT, TRAINER SYSTEM.....	1	9,563	--	--	1	9,563	--	--	+1	+9,563		
OTHER AIRCRAFT												
HELICOPTERS												
MH-60G.....	6	50,736	6	50,736	6	50,736	--	--	--	--		
MISSION SUPPORT AIRCRAFT												
CIVIL AIR PATROL A/C.....	38	502	38	1,802	38	1,802	--	+1,300	--	--		
TR-1/U-2.....	--	12,659	--	12,659	--	12,659	--	--	--	--		
TOTAL, OTHER AIRCRAFT.....		63,897		65,197		65,197		+1,300		--		
MODIFICATION OF INSERVICE AIRCRAFT												
STRATEGIC AIRCRAFT												
B-52.....	--	215,900	--	215,900	--	200,800	--	-15,100	--	-15,100		
FB-111.....	--	--	--	--	--	--	--	--	--	--		
B-1B.....	--	26,500	--	24,500	--	24,500	--	-2,000	--	--		

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	(1)	Qty.	Amount	(4)	Qty.	Amount	(6)	Qty.	Budget amount	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
TACTICAL AIRCRAFT												
A-7.....	--	25,200	--	25,200	--	25,200	--	--	--	--	--	--
A-10.....	--	22,900	--	22,900	--	22,900	--	--	--	--	--	--
F/RP-4.....	--	18,000	--	18,000	--	18,000	--	--	--	--	--	--
F-5.....	--	200	--	200	--	200	--	--	--	--	--	--
F-15.....	--	191,600	--	163,600	--	191,600	--	--	--	--	+28,000	--
F-16.....	--	84,600	--	84,600	--	71,200	--	-13,400	--	--	-13,400	--
F-111.....	--	124,300	--	124,300	--	124,300	--	--	--	--	--	--
TR-1A.....	--	20,300	--	20,300	--	20,300	--	--	--	--	--	--
T/AT-37.....	--	12,900	--	12,900	--	12,900	--	--	--	--	--	--
AIRLIFT AIRCRAFT												
C-5.....	--	105,800	--	102,950	--	105,800	--	--	--	--	--	42,850
C-9.....	--	8,400	--	8,400	--	8,400	--	--	--	--	--	--
C-137.....	--	2,000	--	2,000	--	2,000	--	--	--	--	--	--
C-141.....	--	26,800	--	20,100	--	26,800	--	--	--	--	--	46,700
SOF C141.....	--	20,700	--	20,700	--	20,700	--	--	--	--	--	--
TRAINER AIRCRAFT												
T-38.....	--	19,800	--	19,800	--	19,800	--	--	--	--	--	--
T-43.....	--	4,900	--	4,900	--	4,900	--	--	--	--	--	--
OTHER AIRCRAFT												
KC-10A (ATCA).....	--	26,200	--	26,000	--	26,200	--	--	--	--	--	4200
C-130.....	--	123,125	--	121,375	--	123,125	--	--	--	--	--	41,750

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)
SOF C130.....	--	106,800	--	106,800	--	106,800	--	--	--	--	--	--
C-135.....	--	604,300	--	777,300	--	667,300	--	+63,000	--	--	--	-110,000
E-3.....	--	16,400	--	16,400	--	16,400	--	--	--	--	--	--
E-4.....	--	49,900	--	49,900	--	49,900	--	--	--	--	--	+900
H-1.....	--	400	--	400	--	400	--	--	--	--	--	--
H-3 AIRCRAFT SYSTEM.....	--	--	--	--	--	--	--	--	--	--	--	--
HH-53 AIRCRAFT.....	--	30,300	--	30,300	--	30,300	--	--	--	--	--	--
SOF HH-53.....	--	8,500	--	8,500	--	8,500	--	--	--	--	--	--
OTHER AIRCRAFT.....	--	80,400	--	80,400	--	59,900	--	-20,500	--	--	--	-20,500
OTHER MODIFICATIONS												
CLASSIFIED PROJECTS.....	--	83,276	--	83,276	--	83,276	--	--	--	--	--	--
SOF CLASSIFIED PROJECTS.....	--	18,000	--	18,000	--	18,000	--	--	--	--	--	--
TOTAL, MODIFICATION OF INSERVICE AIRCRAFT.....		2,078,401		2,209,001		2,090,401		+12,000		-118,600		
AIRCRAFT SPARES AND REPAIR PARTS												
SPARES AND REPAIR PARTS.....	--	3,138,491	--	2,799,974	--	3,102,441	--	-36,050	--	+302,467	--	
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES												
COMMON GROUND EQUIPMENT.....	--	249,155	--	221,195	--	235,155	--	-14,000	--	--	--	+13,960
INDUSTRIAL RESPONSIVENESS.....	--	23,413	--	23,413	--	23,413	--	--	--	--	--	--
WAR CONSUMABLES.....	--	40,540	--	40,540	--	20,540	--	-20,000	--	--	--	-20,000
OTHER PRODUCTION CHARGES.....	--	1,105,971	--	1,057,621	--	1,085,371	--	-20,600	--	--	--	+27,750

[In thousands of dollars]

	1969 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	House amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
COMMON ECM EQUIPMENT.....	--	250,446	--	250,446	--	250,446	--	--	--	--	--	
COMMON GROUND EQUIP.....	--	14,393	--	14,393	--	14,393	--	--	--	--	--	
OTHER PRODUCTION CHARGES - SOF.....	--	2,600	--	2,600	--	2,600	--	--	--	--	--	
GENERAL REDUCTION, PRIOR YEAR FUNDS.....	--	--	--	--	--	--	--	--	--	--	--	
CLASSIFIED PROGRAMS.....	--	3,287,790	--	3,100,577	--	3,150,590	--	-137,200	--	+50,013	--	
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES.....		4,974,308		4,710,785		4,782,508		-191,800		+71,723		
		=====		=====		=====		=====		=====		
TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE.....		16,630,000		15,915,397		16,093,500		-536,500		+178,103		

COMBAT AIRCRAFT

F-15 D/E aircraft.—The Committee recommends \$1,291,605,000 for purchase of 36 F-15 aircraft, the same as the budget request. The House includes an increase of \$132,900,000 to increase production to 42 aircraft, the level produced in 1988. The Committee understands that the Air Force has no intention of maintaining a production rate of 42 aircraft in 1990 or the future, because of the high cost of the aircraft and the diminishing numbers of tactical fighter wings. As such, the Committee does not agree with the House recommendation.

F-16 C/D aircraft.—The budget request for F-16 aircraft includes funding for 136 airborne self protection jammers [ASPJ]. The Air Force has decided recently to reduce the number of kits it plans to procure in fiscal year 1989 to 50. The House provided no funds for ASPJ based on delays in testing. The tests have now been successfully completed. Therefore, the Committee recommends \$2,658,078,000, a reduction of \$167,950,000 from the request because of the changes in ASPJ procurement. This amount is \$219,050,000 above the House allowance.

F-16 C/D advance procurement.—The Committee recommends \$438,738,000 for F-16 advance procurement. This is \$150,000,000 below the request and House allowance. The recommended amount will support the Air Force requirements under a new multiyear contract to begin in 1990. The authority to establish a follow-on multiyear procurement is provided in section 8029 of the general provisions.

The reduced funding is based on a planned change in the Defense Department to lower the number of F-16's to be purchased under the next multiyear contract. The request is based on a purchase of 180 aircraft in 1990, but the Air Force no longer plans to purchase this number. The amount recommended is based on a purchase of 150 aircraft in 1990.

TRAINER AIRCRAFT

Tanker-transport-bomber training system.—The Committee recommends \$9,563,000, and \$4,500,000 for the RDT&E appropriations account, in agreement with the budget request for the tanker-transport training system. The House recommended no funding for the program.

Bill language is also recommended to specify that bomber pilot training requirements also be incorporated in the program. In this manner, the Committee seeks to maximize the utility of this new system and to eliminate requirement tailoring for a specialized training program for bomber pilots.

The current Air Force plan calls for the introduction of three new trainer aircraft to the inventory over the next 10 years. Given the recent Air Force history of support for trainer aircraft, the Committee is not confident that the current strategy will result in a coherent program. The most recent experience with the T-46 trainer began with intransigent Air Force insistence for unique aircraft specifications and ended with a change in the Air Force position that the program was not affordable after several hundred million of sunk costs were incurred.

To avoid a similar conclusion, the Committee will only support a trainer acquisition strategy which emphasizes commonality and utilizes known technology with no unique requirements to avoid another unaffordable program. As an initial step to this objective, the recommended bill language prohibits the obligation of funds for this trainer program unless bomber pilot requirements are accommodated within the system. In accord with the Air Force stated intent, the Committee expects the system selected will be an off the shelf aircraft to diminish cost unknowns.

F-109 engine.—Last year, the conferees included a provision which directed the Air Force to make available \$18,000,000 to complete development of the next generation trainer F-109 engine, provided that the Air Force identify the specific Air Force aircraft on which the F-109 would be used. The Air Force has not identified any such aircraft which would use the F-109. The Committee understands that this engine, which was designed specifically to withstand the rigorous Air Force training environment could be a valuable asset if modified to meet other training aircraft requirements. This would take advantage of the substantial investment made in the engine to date. Therefore, the Committee requests the Air Force to examine the costs and benefits of this approach and report by September 1, 1988 on this proposal.

The Committee also understands that some NATO countries may have an interest in this engine, and encourages the Defense Department to explore the possibility of qualifying the engine for funding under DOD NATO Cooperative Research and Development account.

MODIFICATION OF IN-SERVICE AIRCRAFT

B-52 modifications.—The Committee recommends \$200,800,000 for B-52 modifications. This is a reduction of \$15,100,000 from the request and House allowance. The reduction is based on a delay in the requirement for modifying B-52 aircraft in a conventional role.

F-15 modifications.—The Committee recommends \$191,600,000 for F-15 modifications, the same as the budget request and \$28,000,000 above the House allowance. The Committee recommendation will allow the JTIDS program to remain on schedule.

F-16 modifications.—The Committee recommends \$71,200,000 for F-16 modifications. This is \$13,400,000 below the request and House allowance. The proposed adjustment reflects the movement of ASPJ nonrecurring costs to the F-16 production line item.

C-135 modifications.—The Committee recommends \$667,300,000 for C-135 modifications, an increase of \$63,000,000 above the budget request. This is \$110,000,000 below the House allowance. The Committee recommended increase will allow the reengining and modification of 18 KC-135A aircraft to be transferred from the active Air Force to the Air National Guard. This will allow the Air Reserve Forces to maintain a single KC-135 configuration. The cost of installations has been provided for in operations and maintenance.

KC-135R reengining.—For several years the Congress has supported the conversion of KC-135A aerial tankers to KC-135R versions stating that the conversions contribute to tanker capacity requirements at substantially reduced operating costs.

Congress has previously directed the Air Force to examine the savings associated with multiyear procurement at 50 kits per year. Since 50 kits have not been requested by the Air Force, it appears the question of multiyear contracting has been dropped. The Committee believes that the KC-135R program would meet most multiyear criteria and that a multiyear analysis might demonstrate sufficient savings at several different production levels to warrant multiyear procurement in the current constrained fiscal environment. As such, the Committee recommends that the Air Force reconsider multiyear procurement for the KC-135R program. This analysis should not be limited to 50 kits, but should include program levels consistent with the current Air Force plans. If the Air Force finds that the KC-135R program meets fully the multiyear criteria, the Committee expects the Air Force to submit a request for multiyear for the program in the fiscal year 1990 budget.

Spare and repair parts.—The budget request includes \$3,138,491,000 for purchase of spares and repair parts for Air Force aircraft. The Committee recommends \$3,102,441,000, a reduction of \$36,050,000 from the request. The adjustment is related to initial spares for ASPJ and a classified program.

The House recommends a reduction of \$338,517,000 based primarily on a General Accounting Office review of Air Force management practices regarding spare parts requirement determination and inventory management. The Committee applauds the work of the General Accounting Office in identifying areas where the Air Force can improve its management of spare parts. The Committee does not agree with the recommendations of the House regarding reductions in replenishment spares.

The fiscal year 1989 budget request is insufficient to cover the full requirements for peacetime operating spares and war reserves. The Committee supports the thrust of the GAO recommendations and believes the Air Force should implement these recommendations using any savings to lessen the unfunded requirement. The Committee believes the amount provided should allow the full funding of all replenishment spare parts requirements if the Air Force exercises better oversight of spare parts management. Recognizing that force structure decreases are being made because of the severely constrained fiscal resources and the likely continuation of funding shortfalls, the Air Force should do all it can to reform its requirements determinations process to gain better fiscal oversight. Failure to do so will lead to substantial unfunded problems in the future.

AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES

War consumables.—The Committee recommends \$20,540,000 for war consumables, a reduction of \$20,000,000 from the budget request and the House allowance. This reduction is made based on historical obligation rates for wartime consumables and insufficient justification for cost increases for materials to be purchased.

Other production charges.—The Committee recommends \$1,085,371,000, a reduction of \$20,600,000 from the request and \$27,750,000 above the House allowance for a classified program change.

Civil Reserve Air Fleet.—The Committee requests that the Air Force submit a report incorporating the estimated cost and benefits of expanding the scope of the Civil Reserve Air Fleet Program to include a greater variety of commercial cargo aircraft alternatives.

The CRAF Program has made a significant contribution to enhance airlift capabilities at a fraction of the cost of U.S. Government ownership. Since the program's inception, the objective has been to incorporate military airlift features into commercial aircraft during production. But due to the limited scope of the current program, a wide variety of cargo and cargo/passenger combination aircraft are entering the commercial fleet without military airlift features incorporated.

The Committee feels that an expanded CRAF modifications program could provide a cost effective means to obtain military airlift for wartime needs without the costly expense of peacetime operations. The requested report should be submitted with the fiscal year 1990 budget to include any changes to existing law required to permit a more expansive CRAF initiative. The report should focus on the cost to modify all cargo and combination aircraft with auxiliary fuel tanks, navigation and communications systems, and material handling systems compatible with military specifications.

In order to maximize cost competitiveness, the report should also address the desired program structure to insure that all commercial air carriers be eligible for participation.

Authorized reductions.—The Committee recommends the following reductions in compliance with authorization direction.

[in thousands of dollars]

	Budget request	House allowance	Committee recommendation
C-17	904,113	900,113	900,113
Other aircraft.....	80,400	80,400	59,900
Common ground equip.....	249,155	221,195	235,155
Classified programs.....	3,287,790	3,100,590	3,150,590

Other House Adjustments.—The Committee accepts the House adjustments listed below:

[in thousands of dollars]

	Budget request	House allowance	Committee recommendation
Civil Air Patrol.....	502	1,802	1,802
B-1B mods.....	26,500	24,500	24,500

MISSILE PROCUREMENT, AIR FORCE

1988 appropriation	\$7,290,771,000
1989 budget estimate	8,158,000,000
House allowance.....	7,620,587,000
Committee recommendation.....	7,649,757,000

The Committee recommends an appropriation of \$7,649,757,000. This is \$508,243,000 below the President's budget and \$29,170,000 more than the House allowance.

This appropriation finances the construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories, ground-handling equipment, and training devices; and expansion of public and private plants, Government-owned equipment, and installation.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[in thousands of dollars]

	1980 budget			1980 House			Committee recommendation			Senate compared to—		
	Qty.	Amount		Qty.	Amount		Qty.	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(8)	(9)	(10)
MISSILE PROCUREMENT, AIR FORCE												
BALLISTIC MISSILES												
STRATEGIC												
PEACEKEEPER (M-X).....	12	806,980		12	806,980		12	731,980		-75,000	--	-75,000
MISSILE REPLACEMENT EQUIPMENT - BALLIST												
MISSILE REPLACEMENT EQ-BALLISTIC.....	--	56,721		--	56,721		--	56,721		--	--	--
TOTAL, BALLISTIC MISSILES.....		863,701			863,701			788,701		-75,000		-75,000
OTHER MISSILES												
STRATEGIC												
TACIT RAINBOW.....	--	71,967		--	11,967		--	71,967		--	--	+60,000
HAVE MAP.....	12	8,347		12	8,347		--	--		-12	-12	-8,347
AIR LAUNCH CRUISE MISSILE.....	--	--		--	--		--	--		--	--	--
TACTICAL												
A1X-7F/H SPARROW.....	354	56,129		354	56,129		354	54,000		-2,129	--	-2,129
A1X-9L/H SIDELINDER.....	760	48,319		760	48,319		760	48,319		--	--	--
AGM-65D NAVERICK.....	2,540	260,410		2,540	260,410		2,540	260,410		--	--	--
AGM-88A HARM.....	893	216,135		893	216,135		893	216,135		--	--	--
RAPIER.....	--	--		--	--		--	--		--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
ARMAM.....	1,470	825,297	1,240	825,297	1,240	798,730	-230	-26,567	--	-26,567	--	-26,567
GRD LAUNCH CRUISE MISSILE.....	--	603	--	603	--	603	--	--	--	--	--	--
TARGET DRONES.....	58	24,179	58	24,179	58	24,179	--	--	--	--	--	--
TARGET DRONES.....	--	10,731	--	10,731	--	10,731	--	--	--	--	--	--
INDUSTRIAL FACILITIES.....	--	5,153	--	5,153	--	5,153	--	--	--	--	--	--
INDUSTRIAL FACILITIES.....	--	15,000	--	15,000	--	15,000	--	--	--	--	--	-15,000
MISSILE REPLACEMENT EQUIPMENT - OTHER.....	--	1,527,270	--	1,482,270	--	1,490,227	--	-37,043	--	-37,043	--	+7,957
MISSILE REPLACEMENT EQ-OTHER.....	--	--	--	--	--	--	--	--	--	--	--	--
SEEK SPINNER.....	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL, OTHER MISSILES.....	--	--	--	--	--	--	--	--	--	--	--	--
MODIFICATION OF INSERVICE MISSILES.....	--	--	--	--	--	--	--	--	--	--	--	--
CLASS IV.....	--	73,194	--	73,194	--	73,194	--	--	--	--	--	--
MM 11/III MODIFICATIONS.....	--	2,200	--	2,200	--	2,200	--	--	--	--	--	--
AGM-88A HARM.....	--	6,055	--	6,055	--	6,055	--	--	--	--	--	--
AIR LAUNCH CRUISE MISSILE.....	--	3,200	--	3,200	--	3,200	--	-3,200	--	-3,200	--	--
GRD LAUNCH CRUISE MISSILE.....	--	1,733	--	1,733	--	1,733	--	--	--	--	--	--
PEACEKEEPER (H-X).....	--	198	--	198	--	198	--	--	--	--	--	--
MODIFICATIONS UNDER #2, OH.....	--	--	--	--	--	--	--	--	--	--	--	--
SHRIKE (G-BIAS MOD).....	--	--	--	--	--	15,000	--	+15,000	--	+15,000	--	+15,000

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
AIM-7 (H-BUILD SOFTWARE MOD).....	---	---	---	---	---	---	---	---	---	---	---	---
AIM-9 (GUIDANCE MOD).....	---	---	---	100,000	---	---	---	---	---	---	---	-100,000
AMRAAM (P3I MOD).....	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL, MODIFICATION OF INSERVICE MISSILES.....	---	86,580	---	183,380	---	98,380	---	+11,800	---	-85,000	---	---
MISSILE SPARES + REPAIR PARTS	---	254,314	---	239,614	---	254,314	---	---	---	---	---	+14,700
SPARES AND REPAIR PARTS.....	---	---	---	---	---	---	---	---	---	---	---	---
OTHER SUPPORT	---	---	---	---	---	---	---	---	---	---	---	---
SPACE PROGRAMS	---	---	---	---	---	---	---	---	---	---	---	---
SPACEBORNE EQUIP (COMSEC).....	---	19,646	---	19,646	---	19,646	---	---	---	---	---	+14,427
GLOBAL POSITIONING (NYP).....	---	75,644	---	61,217	---	75,644	---	---	---	---	---	-8,100
SPACE SHUTTLE OPERATIONS.....	---	23,620	---	14,720	---	6,620	---	---	---	-17,000	---	+90,013
DEF METEOROLOGICAL SAT PROG (NYP).....	1	90,013	---	---	---	90,013	---	---	---	---	---	+69,300
DEF METEOROLOGICAL SAT PROG (NYP) (AP-CY).....	---	69,300	---	---	---	69,300	---	---	---	---	---	-153,400
DEF METEOROLOGICAL SAT PROG (ANNUAL BUY).....	---	---	1	153,400	1	---	---	---	---	---	---	---
DEFENSE SUPPORT PROGRAM (NYP).....	2	396,432	2	396,432	2	396,432	---	---	---	---	---	---
DEFENSE SUPPORT PROGRAM (NYP) (AP-CY).....	---	36,400	---	36,400	---	36,400	---	---	---	---	---	---
DEFENSE SATELLITE COMM SYSTEM (NYP).....	---	54,412	---	54,412	---	54,412	---	---	---	---	---	-31,900
SPACE BOOSTERS (NYP).....	3	246,206	3	246,206	3	214,306	---	-31,900	---	---	---	---
SPACE BOOSTERS (NYP) (AP-CY).....	---	130,000	---	130,000	---	130,000	---	---	---	---	---	---

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty	Amount		Qty	Amount		Qty	Amount		Budget amount	Qty.	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(8)	(9)	(10)
MEDIUM LAUNCH VEHICLE.....	8	255,055		8	255,055		8	230,755		-24,300	--	-24,300
MEDIUM LAUNCH VEHICLE (AP-CY).....	--	20,200		--	20,200		--	16,400		-3,800	--	-3,800
SPECIAL PROGRAMS												
OTHER PROGRAMS.....	--	--		--	--		--	--		--	--	--
FOREST GREEN.....	--	273		--	--		--	273		--	--	+273
TONDS (MYP).....	--	--		--	--		--	--		--	--	--
SPECIAL PROGRAMS.....	--	2,849,100		--	2,874,100		--	2,824,300		-24,800	--	-49,800
SPECIAL UPDATE PROGRAMS.....	--	267,192		--	267,192		--	267,192		--	--	--
GENERAL REDUCTION, PRIOR YEAR FUNDS (GLCH).....	--	892,642		--	322,642		--	586,442		-306,200	--	+263,800
CLASSIFIED PROGRAMS.....	--	--		--	--		--	--		--	--	--
TOTAL, OTHER SUPPORT.....		5,426,135			4,851,622			5,018,135		-408,000		+166,513
UNDISTRIBUTED REDUCTION.....	--	--		--	--		--	--		--	--	--
TOTAL, MISSILE PROCUREMENT, AIR FORCE.....		8,158,000			7,620,587			7,649,757		-508,243		+29,170

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
AMRRAM.....	825,297	798,730	- 26,567
Ground-launched cruise missile modifi- cations.....	3,200		- 3,200
Shrike (G-bias mod).....		15,000	+ 15,000
Space boosters.....	246,206	214,306	- 31,900
Medium launch vehicles.....	255,055	230,755	- 24,300
Medium launch vehicles (advance procurement).....	20,200	16,400	- 3,800

COMMITTEE RECOMMENDED ADJUSTMENTS

Peacekeeper MX missiles.—The Air Force requested \$806,980,000 for the procurement of 12 MX missiles in fiscal year 1989. The Committee recommends an allowance of \$731,980,000, \$75,000,000 below the budget request and the House recommendation.

The General Accounting Office [GAO] reported that the Ballistic Missile Office [BMO] generated \$75,000,000 additional funds for fiscal year 1988 and beyond by moving the in-flight safety system [IFSS] funding requirements from the fiscal year 1988 to the fiscal year 1987 program execution. BMO used funds excess to fiscal year 1987 program requirements to fund the IFSS, which was requested and appropriated for in fiscal year 1988.

The Committee continues to be concerned with the high unobligated balance in the Peacekeeper program. As of May 20, 1988, the Peacekeeper procurement unobligated balances were \$132,600,000 for fiscal year 1986, \$385,300,000 for fiscal year 1987, and \$675,100,000 for fiscal year 1988.

The fiscal year 1986 unobligated funds, representing approximately 15 percent of the fiscal year 1986 program, must be obligated by September 30, 1988, or will expire. According to BMO, almost all of the unobligated balances will be used to support sustaining engineering requirements. BMO officials told GAO the sustaining engineering requirement was inadvertently omitted from previous Peacekeeper procurement requests. The Committee questions how a \$132,000,000 program requirement could be inadvertently omitted from the President's budget request to Congress.

The GAO also reviewed negotiated missile component contract awards and found that the Air Force consistently overbudgeted for actual hardware contract values. GAO found that BMO overestimated by \$85,200,000 in fiscal year 1986, \$91,300,000 in fiscal year 1987, and \$23,300,000 for the only two fiscal year 1988 contracts which have been awarded to date. BMO officials agreed with GAO's analysis of the contract savings, however, did not consider the funds available for rescission purposes. BMO considers the funds available to the Peace-

keeper program manager to use to support new, unexpected or additional requirements that BMO did not include in their financial plan.

The Committee is disturbed by this explanation of poor budget estimations and wonders whether the other elements of the Peacekeeper program are similarly overstated. The Committee also questions how, in the very tight fiscal environment DOD faces, does \$200,000,000 of contract savings in a single program become what is commonly known as management reserves.

The Congress consistently reduces other hardware programs when contract savings are identified and the Peacekeeper program will not be exempt from this practice. The Committee recommends rescinding the fiscal year 1987 savings of \$91,300,000 and the \$23,000,000 of savings identified thus far in fiscal year 1988 program.

HAVE NAP.—The Air Force requested \$8,347,000 to support the HAVE NAP missile program in fiscal year 1989 and the House agreed with that request.

Program restructuring, as described in the DOD Standoff Weapons Master Plan, has caused delays in the program and procurement funds are no longer necessary in fiscal year 1989. The Committee, therefore, denies the Air Force's procurement request. Research and development funds are addressed in that section.

AIM-7 Sparrow missile.—The budget request contained \$56,129,000 for the procurement of 354 Sparrow missiles in fiscal year 1989. The Committee recommends an allowance of \$54,000,000 for as many Sparrow missiles as these funds allow. This allowance is a reduction of \$2,129,000 from the request and the House recommendation.

Because of the addition of \$40,000,000 to the Navy budget for the procurement of additional Sparrow missiles, the Committee anticipated a lower unit cost than budgeted by the Air Force for the Sparrow's in their program. The Committee fully expects the Air Force to procure at least 354 missiles and hopes the larger combine USN/AF buy will allow sufficient saving for the Air Force to procure more missiles than requested.

Space shuttle operations.—The Air Force requested \$23,620,000 to procure upperstages and payload assist modules in fiscal year 1989.

The Committee recommends a reduction of \$17,000,000 as a result of a GAO report which identifies savings in the fiscal year 1988 program which are still available. This allowance is \$8,100,000 below the House recommendation.

The GAO reported that the fiscal year 1988 request included \$20,000,000 to fund an upgrade to the Systems Integration Laboratory [SIL] which would increase upperstage launch processing from four to six vehicles per year. Program officials stated because the current projected annual launch rate will not exceed five per year, the upgrade will not be necessary at this time.

Program officials have already used \$3,000,000 of the SIL upgrade funds for other purposes. The Committee requests that the Air Force

use the remaining \$17,000,000 to fund fiscal year 1989 space shuttle operational requirements.

ITEMS OF SPECIAL INTEREST

Titan IV solid rocket motors.--In the past year, the Air Force has informed the Committee of a significant increased funding requirement for upgraded solid rocket motors [SRM] for the Titan IV booster. In its justification for the upgraded SRM, the Air Force identifies the need to improve the lift performance of the current Titan IV SRM's, the need for redundancy in production of solid rocket motors for the Titan IV program, and expected cost savings associated with the competitive nature of two sources. The Committee supports these goals and has, thus far, approved the required fiscal year 1988 reprogramming and the fiscal year 1989 Titan IV program request at the authorized levels. The Committee believes the ability to fly with either the current SRM's or the upgraded SRM's is a valuable operational redundancy which should be developed and maintained throughout the life of the Titan IV program.

Redundancy in SRM's for the Titan IV booster is understood by the Committee as the ability to attach to the core vehicle either the current Titan IV SRM's or the new upgraded SRM's. The Committee would not expect any changes to be made to the core vehicle interface which would prevent either SRM configuration from flying any future missions.

Redundancy is also understood by the Committee as the ability of Air Force launch facilities to handle either Titan configuration. These facilities include not only the launch pad itself but also assembly, storage, and nondestructive testing facilities, and transportation and lifting equipment. Presently, the operational facilities and equipment at Cape Canaveral and Vandenberg are sized to handle the current Titan IV configuration. The Committee would expect any modification to these facilities to accommodate the upgraded SRM configuration would not prevent the continued operation of the current Titan IV system.

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Tacit Rainbow	71,967	11,967	71,967
Seek spinner		15,000	
AIM-9 guidance modifications		100,000	
Spares and repair parts	254,314	239,614	254,314
Global positioning satellite [MYP]	75,644	61,217	75,644
Defense meteorological satellite [DMSP] [MYP]	90,013		90,013
DMSP advance procurement	69,300		69,300
DMSP annual procurement		153,400	

OTHER PROCUREMENT, AIR FORCE

1988 appropriation	\$8,010,827,000
1989 budget estimate	8,393,500,000
House allowance	8,097,047,000
Committee recommendation	8,133,249,000

The Committee recommends an appropriation of \$8,133,249,000 for other procurement, Air Force. The recommendation is a decrease of \$260,251,000 from the budget and \$36,202,000 more than the House allowance.

This appropriation provides for the procurement of weapons systems and equipment other than aircraft and missiles. Included are munitions, other weapons, vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapons systems and supporting structure.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House allowance.

[In thousands of dollars]

	1989 budget		1989 House		Committee recommendation		Senate compared to—		House amount
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (10)
OTHER PROCUREMENT, AIR FORCE									
MUNITIONS AND ASSOCIATED EQUIPMENT									
ROCKETS + LAUNCHERS									
2.75 INCH ROCKET MOTOR.....	90,000	16,296	55,200	10,000	55,200	10,000	-34,800	-6,296	---
2.75 INCH ROCKET HEAD - WP.....	96,925	6,521	96,925	6,521	96,925	6,521	---	---	---
LIGHT ANTI-TANK TACTICAL AT-4.....	3,800	3,520	3,800	3,020	3,800	3,020	---	-500	---
ITEMS LESS THAN \$2,000,000.....	---	5,523	---	5,523	---	5,523	---	---	---
CARTRIDGES (THOUSANDS)									
9MM PARABELLUM.....	14,933	1,493	14,933	1,493	14,933	1,493	---	---	---
5.56 MM.....	30,000	4,690	30,000	4,290	30,000	4,290	---	-400	---
20 MM COMBAT.....	2,112	9,651	2,112	9,651	2,112	9,651	---	---	---
20MM TRAINING.....	9,200	20,984	9,200	20,984	9,200	20,984	---	---	---
30 MM TRAINING.....	8,700	67,164	7,700	59,444	8,700	67,164	---	---	47,720
40MM TP GRENADES.....	754	1,048	754	1,048	754	1,048	---	---	---
40MM HE GRENADES.....	191	1,371	191	1,371	191	1,371	---	---	---
CART CHAFF NR-170.....	1,700	3,842	1,700	3,842	1,700	3,842	---	---	---
SIGNAL MK-4 MOD 3.....	1,252	1,189	1,252	1,189	1,252	1,189	---	---	---
RDX-AG/A ENGINE STARTER.....	45	5,438	45	5,438	45	5,438	---	---	---
CART IMP 3000 FT/LBS.....	1,563	3,907	1,563	3,907	1,563	3,907	---	---	---
ITEM LESS THAN 2.0M CARTRIDGES-SDF.....	---	500	---	500	---	500	---	---	---
ITEMS LESS THAN \$2,000,000.....	---	11,394	---	11,394	---	11,394	---	---	---

[In thousands of dollars]

	1988 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)
BOMBS												
MK-82 INERT/BDU-50.....	--	--	72,000	19,800	72,000	19,800	472,000	419,800	--	--	--	--
TIMER ACTUATOR FIM FUZE.....	11,245	3,334	--	--	11,245	3,334	--	--	111,245	--	--	43,334
BSU-49 INFLATABLE RETARDER.....	46,128	16,851	46,128	16,851	46,128	16,851	--	--	--	--	--	--
BSU-50 INFLATABLE RETARDER.....	7,000	7,550	7,000	7,550	7,000	7,550	--	--	--	--	--	--
BOMB 2000 LB HIGH EXPLOSIVE.....	--	--	--	--	--	--	--	--	--	--	--	--
BOMB HARD TARGET 2000LB.....	2,610	31,877	4,610	51,377	2,610	31,877	--	--	-2,000	--	--	-19,500
BOMB PRACTICE 25 POUND.....	11,600,000	14,005	1160,000	14,005	1160,000	14,005	--	--	--	--	--	--
BOMB PRACTICE BDU-38.....	668	2,428	668	2,428	668	2,428	--	--	--	--	--	--
MK-84 BOMB-EMPTY.....	--	--	12,000	14,700	--	--	--	--	-12,000	--	--	-14,700
MK-84 BOMB-HE.....	--	--	19,000	31,500	--	--	--	--	-19,000	--	--	-31,500
CBU-87(COMBINED EFFECTS MUNITION).....	16,562	252,893	16,562	252,893	16,562	252,893	--	--	--	--	--	--
BIG EYE.....	--	89,487	--	--	--	10,000	--	-79,487	--	--	--	410,000
ITEMS LESS THAN \$2,000,000.....	--	1,042	--	1,042	--	1,042	--	--	--	--	--	--
TARGETS												
ITEMS LESS THAN \$2,000,000.....	--	1,286	--	1,286	--	1,286	--	--	--	--	--	--
OTHER ITEMS												
FLARE, IR MJU-7B.....	563,400	9,786	563,400	9,786	563,400	9,786	--	--	--	--	--	--
PARACHUTE FLARE LUU-2 B/B.....	10,000	3,805	10,000	3,805	10,000	3,805	--	--	--	--	--	--
FLARE IR (BIB).....	3,773	5,911	1,200	1,999	1,200	1,999	-2,573	-3,912	--	--	--	--
MJU-108.....	354,114	16,052	191,221	9,352	191,221	9,352	-162,893	-6,700	--	--	--	--
SPARES AND REPAIR PARTS.....	--	4,166	--	4,166	--	4,166	--	--	--	--	--	--
MODIFICATIONS.....	--	809	--	809	--	809	--	--	--	--	--	--

[In thousands of dollars]

	1968 budget			1968 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
ITEMS LESS THAN \$2,000,000.....	--	21,737	--	21,737	--	21,737	--	--	--	--	--	--
FUZES												
FMJ-139.....	32,698	30,127	32,698	30,127	32,698	30,127	--	--	--	--	--	--
ITEMS LESS THAN \$2,000,000.....	--	18	--	18	--	18	--	--	--	--	--	--
OTHER WEAPONS												
M-203 GRENADE LAUNCHER.....	145	90	145	90	145	90	--	--	--	--	--	--
MACHINE GUN, 7.62MM, M-60.....	--	--	--	--	--	--	--	--	--	--	--	--
9MM HANDGUN.....	8,933	1,896	8,933	1,896	8,933	1,896	--	--	--	--	--	--
HOST NATION SUPPORT WEAPONS.....	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL, MUNITIONS AND ASSOCIATED EQUIPMENT.....		679,681		646,832		602,186		-77,495		-44,646		
VEHICULAR EQUIPMENT												
PASSENGER CARRYING VEHICLES												
SEDAN, 4 DR 4X2.....	120	1,012	120	1,012	120	1,012	--	--	--	--	--	--
STATION WAGON, 4X2.....	93	845	93	845	93	845	--	--	--	--	--	--
BUS, 28 PASSENGER.....	22	896	22	896	22	896	--	--	--	--	--	--
BUS INTERCITY.....	3	502	3	502	3	502	--	--	--	--	--	--
BUS, 44 PASSENGER.....	60	4,181	60	4,181	60	4,181	--	--	--	--	--	--
AMBULANCE, BUS.....	--	--	--	--	--	--	--	--	--	--	--	--
MODULAR AMBULANCE.....	44	1,539	44	1,539	44	1,539	--	--	--	--	--	--
14-20 PASSENGER BUS.....	16	536	16	536	16	536	--	--	--	--	--	--

[In thousands of dollars]

	1989 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	(1)	Qty.	Amount	(2)	Qty.	Amount	(3)	Qty.	Budget amount	House amount
	(1)	(2)		(3)	(4)		(5)	(6)		(7)	(8)	(10)
TRACTOR, A/C TOW, MB-4.....	--	--		--	--		--	--		--	--	--
TRACTOR, TOW, FLIGHTLINE.....	388	6,208		388	6,208		388	6,208		--	--	--
TRACTOR, DOZER.....	--	--		--	--		--	--		--	--	--
TRANSPORTABLE MAINT UNIT.....	11	6,957		11	6,957		11	6,957		--	--	--
MOBILE ARM RECON VEHICLE.....	20	18,200		--	--		20	18,200		--	--	+18,200
MOS MARKING VEHICLE.....	36	2,679		36	2,679		36	2,679		--	--	--
ITEMS LESS THAN \$2,000,000.....	--	19,161		--	15,161		--	15,161		--	-4,000	--
FIRE FIGHTING EQUIPMENT												
TRUCK CRASH P-23(P-2).....	18	8,201		18	8,201		18	8,201		--	--	--
TRUCK WATER P-18.....	9	1,127		9	1,127		9	1,127		--	--	--
TRUCK PUMPER P-24(P-8).....	30	3,884		30	3,884		30	3,884		--	--	--
TRUCK PUMPER P-22(P-12).....	26	2,924		26	2,924		26	2,924		--	--	--
ITEMS LESS THAN \$2,000,000.....	--	3,364		--	3,364		--	3,364		--	--	--
MATERIALS HANDLING EQUIPMENT												
TRUCK F/L 4000 LB GED/DED 144 INCH.....	258	6,871		258	6,871		258	6,871		--	--	--
TRUCK, F/L 6000 LB.....	71	2,653		71	2,653		71	2,653		--	--	--
TRUCK, F/L 10,000 LB.....	99	7,623		99	7,623		99	7,623		--	--	--
LARGE CAPACITY LOADER.....	--	--		--	--		--	--		--	--	--
25K A/C LOADER.....	14	1,725		14	1,725		14	1,725		--	--	--
CONTAINER, LIFT, TRUCK.....	--	--		--	--		--	--		--	--	--
ITEMS LESS THAN \$2,000,000.....	--	10,330		--	10,330		--	10,330		--	--	--
BASE MAINTENANCE SUPPORT												
LOADER, SCOOP.....	165	9,875		165	9,875		165	9,875		--	--	--

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
DISTRIBUTOR, WATER 1500 GALLON.....	---	---	---	---	---	---	---	---	---	---	---	---
CLEANER, RUNWAY/STREET.....	212	22,670	212	22,670	212	22,670	---	---	---	---	---	---
CRANE, 7-50 TON.....	21	5,522	21	5,522	21	5,522	---	---	---	---	---	---
SPARES AND REPAIR PARTS.....	---	3,246	---	3,246	---	3,246	---	---	---	---	---	---
MODIFICATIONS.....	---	1,072	---	1,072	---	1,072	---	---	---	---	---	---
ITEMS LESS THAN \$2,000,000.....	---	12,240	---	10,240	---	10,240	---	-2,000	---	---	---	---
TOTAL, VEHICULAR EQUIPMENT.....	---	289,968	---	261,568	---	279,768	---	-10,200	---	+18,200	---	---
ELECTRONICS AND TELECOMMUNICATIONS EQUIP												
COMM SECURITY EQUIPMENT (CONSEC)												
SPACE SYSTEMS (CONSEC).....	---	14,439	---	14,439	---	14,439	---	---	---	---	---	---
TEMPEST EQUIPMENT.....	---	306	---	306	---	306	---	---	---	---	---	---
TAC SECURE VOICE.....	---	3,938	---	3,938	---	3,938	---	---	---	---	---	---
DCS SECURE VOICE (CONSEC).....	---	20,763	---	20,763	---	20,763	---	---	---	---	---	---
SECURE DATA.....	---	31,719	---	31,719	---	31,719	---	---	---	---	---	---
TRI-TAC (CONSEC).....	---	9,926	---	9,926	---	9,926	---	---	---	---	---	---
SPARES AND REPAIR PARTS.....	---	6,116	---	6,116	---	6,116	---	---	---	---	---	---
MODIFICATIONS (CONSEC).....	---	724	---	724	---	724	---	---	---	---	---	---
INTELLIGENCE PROGRAMS												
INTELLIGENCE DATA HANDLING SYS.....	---	---	---	---	---	---	---	---	---	---	---	---
INTELLIGENCE TRAINING EQUIPMENT.....	---	8,945	---	8,945	---	8,945	---	---	---	---	---	---

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
IMAGERY TRANS.....	--	1,536	--	1,536	--	1,536	--	--	--	--	--	--
MUNDT DETECTION SYSTEM (MDS).....	--	--	--	--	--	--	--	--	--	--	--	--
TACTICAL WARNING SYSTEMS SUPPORT.....	--	2,969	--	2,969	--	2,969	--	--	--	--	--	--
SPECIAL COMM-ELECTRONICS PROJECTS												
AUTOMATIC DATA PROCESSING EQUIP.....	--	82,716	--	54,716	--	67,716	--	-15,000	--	+13,000	--	--
WINCCS/WIS ADPE.....	--	12,110	--	12,110	--	12,110	--	--	--	--	--	--
MAC COMMAND AND CONTROL SUPPORT.....	--	24,708	--	20,408	--	24,708	--	--	--	+4,300	--	--
MAC COMMAND AND CONTROL-SOF.....	--	1,451	--	1,451	--	1,451	--	--	--	--	--	--
GLCH COMMUNICATIONS.....	--	--	--	--	--	--	--	--	--	--	--	--
AIR FORCE PHYSICAL SECURITY SYSTEM.....	--	20,634	--	20,634	--	20,634	--	--	--	--	--	--
WEAPONS STORAGE/SECURITY.....	--	36,847	--	18,400	--	32,847	--	-4,000	--	+14,447	--	--
RANGE IMPROVEMENTS.....	--	134,952	--	119,952	--	109,952	--	-25,000	--	-10,000	--	--
C3 COUNTERMEASURES.....	--	5,787	--	5,787	--	5,787	--	--	--	--	--	--
JOINT SURVEILLANCE SYSTEM.....	--	--	--	--	--	--	--	--	--	--	--	--
SPACE SHUTTLE.....	--	--	--	--	--	--	--	--	--	--	--	--
BASE LEVEL DATA AUTO PROGRAM.....	--	16,202	--	16,202	--	16,202	--	--	--	--	--	--
SATELLITE CONTROL FACILITY.....	--	61,051	--	61,051	--	61,051	--	--	--	--	--	--
CONSTANT WATCH.....	--	5,186	--	5,186	--	5,186	--	--	--	--	--	--
CONSOLIDATED SPACE OPS CENTER.....	--	--	--	--	--	--	--	--	--	--	--	--
CMD CENTER PROCESSING/DISPLAY SYS.....	--	23,553	--	--	--	23,553	--	--	--	423,553	--	--
HAMMER ACE.....	--	1,381	--	1,381	--	1,381	--	--	--	--	--	--
SAMTO TEST RANGES 14M.....	--	51,852	--	51,852	--	51,852	--	--	--	--	--	--

[in thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)			
AIR FORCE COMMUNICATIONS												
PROGRAM 698AJ.....	--	1,704	--	--	1,704	--	--	1,704	--	--	--	--
INFORMATION TRANSMISSION SYSTEMS.....	--	8,274	--	--	8,274	--	--	8,274	--	--	--	--
TELEPHONE EXCHANGE.....	--	27,823	--	--	27,823	--	--	27,823	--	--	--	--
JOINT TACTICAL COMM PROGRAM.....	--	153,037	--	--	153,037	--	--	153,037	--	--	--	--
USSOCCOM.....	--	5,813	--	--	5,813	--	--	5,813	--	--	--	--
USCENTCOM.....	--	---	--	--	---	--	--	---	--	--	--	--
AUTOMATED TELECOMMUNICATIONS PRG.....	--	4,305	--	--	4,305	--	--	4,305	--	--	--	--
NILSTAR.....	--	73,394	--	--	73,394	--	--	65,994	--	-7,400	--	-7,400
SATELLITE TERMINALS.....	--	12,475	--	--	12,475	--	--	12,475	--	--	--	--
DCA PROGRAMS												
VIDEOBAND SYSTEMS UPGRADE.....	--	14,318	--	--	14,318	--	--	14,318	--	--	--	--
MINIMUM ESSENTIAL ENER COMM NET.....	--	3,833	--	--	3,833	--	--	3,833	--	--	--	--
DCS SECURE VOICE EQUIPMENT.....	--	3,762	--	--	3,762	--	--	3,762	--	--	--	--
ORGANIZATION AND BASE												
TACTICAL C-E EQUIPMENT.....	--	39,962	--	--	39,962	--	--	39,962	--	--	--	--
RADIO EQUIPMENT.....	--	18,038	--	--	18,038	--	--	18,038	--	--	--	--
RADIO EQUIPMENT-SOF.....	--	1,645	--	--	1,645	--	--	1,645	--	--	--	--
FIBER OPTICS.....	--	1,020	--	--	1,020	--	--	1,020	--	--	--	--
TV EQUIPMENT (AFRTV).....	--	4,103	--	--	4,103	--	--	4,103	--	--	--	--
CCTV/AUDIOVISUAL EQUIPMENT.....	--	3,944	--	--	3,944	--	--	3,944	--	--	--	--
E + I REQUIREMENTS.....	--	575	--	--	575	--	--	575	--	--	--	--
SPARES AND REPAIR PARTS.....	--	215,722	--	--	204,045	--	--	200,000	--	-15,722	--	-4,045
CAP COM & ELECT.....	--	---	--	--	600	--	--	600	--	+600	--	--
ITEMS LESS THAN \$2,000,000.....	--	7,553	--	--	7,553	--	--	7,553	--	--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	(1)	Qty.	Amount	(2)	Qty.	Amount	(3)	Qty.	Budget amount	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
MODIFICATIONS												
COM-ELECTRONICS CLASS IV.....	--	19,417	--	19,417	--	19,417	--	--	--	--	--	--
TACTICAL EQUIPMENT.....	--	27,341	--	27,341	--	27,341	--	--	--	--	--	--
ANTI-JAM VOICE.....	--	10,277	--	8,187	--	8,187	--	-2,090	--	--	--	--
TOTAL, ELECTRONICS AND TELECOMMUNICATIONS EQUIP.....		1,980,047		1,746,542		1,894,084		-85,963		+147,542		
OTHER BASE MAINTENANCE AND SUPPORT EQUIP												
TEST EQUIPMENT												
BASE/ALC CALIBRATION PACKAGE.....	--	56,333	--	56,333	--	56,333	--	--	--	--	--	--
NEWARK AFS CALIBRATION PACKAGE.....	--	2,346	--	2,346	--	2,346	--	--	--	--	--	--
TEST EQUIPMENT-GEN PURP.....	--	6,687	--	6,687	--	6,687	--	--	--	--	--	--
ITEMS LESS THAN \$2,000,000.....	--	37,461	--	37,461	--	37,461	--	--	--	--	--	--
PERSONAL SAFETY AND RESCUE EQUIP												
AUTOMATIC LIFE PRESERVER.....	1,952	2,413	1,952	2,413	1,952	2,413		--	--	--	--	--
NIGHT VISION GOGGLES.....	--	5,644	--	5,644	--	5,644	--	--	--	--	--	--
NIGHT VISION GOGGLES-SOF.....	166	2,687	166	2,687	166	2,687		--	--	--	--	--
BREATHING APPARATUS TWO HOUR.....	--	--	--	--	--	--		--	--	--	--	--
CHEMICAL/BIOLOGICAL DEF PROG.....	--	95,766	--	95,766	--	95,766		-20,000	--	-20,000	--	-20,000
ITEMS LESS THAN \$2,000,000.....	--	3,570	--	3,570	--	3,570		--	--	--	--	--

[In thousands of dollars]

	1969 budget		1969 House		Committee recommendation		Senate compared to—			
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPOT PLANT & MATERIALS HANDLING EQ										
BASE MECHANIZATION EQUIPMENT.....	--	37,039	--	37,039	--	37,039	--	--	--	--
AIR TERMINAL MECHANIZATION EQUIP.....	--	7,006	--	7,006	--	7,006	--	--	--	--
ITEMS LESS THAN \$2,000,000.....	--	12,460	--	12,460	--	12,460	--	--	--	--
ELECTRICAL EQUIPMENT										
GENERATORS-MOBILE ELECTRIC.....	--	13,937	--	13,937	--	13,937	--	--	--	--
FLOOD LIGHTS.....	--	--	--	--	--	--	--	--	--	--
ITEMS LESS THAN \$2,000,000.....	--	5,491	--	5,491	--	5,491	--	--	--	--
BASE SUPPORT EQUIPMENT										
BASE PROCURED EQUIPMENT.....	--	37,100	--	37,100	--	37,100	--	--	--	--
MEDICAL/DENTAL EQUIPMENT.....	--	116,207	--	116,207	--	100,000	--	-16,207	--	-16,207
AIR BASE OPERABILITY.....	--	15,252	--	15,252	--	15,252	--	--	--	--
PALLET, AIR CARGO, 108"X88".....	2,000	1,758	2,000	1,758	2,000	1,758	--	--	--	--
AFLC UNINTERRUPTABLE POWER SUPPLY EQUIP.....	--	--	--	--	--	--	--	--	--	--
BLADDERS FUEL.....	--	--	--	--	--	--	--	--	--	--
PHOTOGRAPHIC EQUIPMENT.....	--	6,972	--	6,972	--	6,972	--	--	--	--
PRODUCTIVITY ENHANCEMENT.....	--	9,820	--	9,820	--	9,820	--	--	--	--
PRODUCTIVITY INVESTMENTS.....	--	1,459	--	1,459	--	1,459	--	--	--	--
MOBILITY EQUIPMENT.....	--	38,565	--	38,565	--	38,565	--	--	--	--
WARTIME HOST NATION SUPPORT.....	--	4,522	--	4,522	--	--	--	-4,522	--	-4,522
SPARES AND REPAIR PARTS.....	--	6,139	--	6,139	--	6,139	--	--	--	--
ITEMS LESS THAN \$2,000,000.....	--	18,660	--	18,660	--	18,660	--	--	--	--

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
SPECIAL SUPPORT PROJECTS												
INTELLIGENCE PRODUCTION ACTIVITY.....	--	92,363	--	87,863	--	88,363	--	--	--	-4,000	--	+500
TECH SURV COUNTERMEASURES EQ.....	--	954	--	954	--	954	--	--	--	--	--	--
PHOTO PROC/INTERPRET SYS.....	--	257	--	257	--	257	--	--	--	--	--	--
SELECTED ACTIVITIES.....	--	4,636,700	--	4,657,201	--	4,603,100	--	--	--	-33,600	--	-54,101
SPECIAL UPDATE PROGRAM.....	--	139,168	--	121,468	--	139,168	--	--	--	--	--	+17,700
SPECIAL APPLICATION PROGRAM.....	--	4,327	--	4,327	--	4,327	--	--	--	--	--	--
INDUSTRIAL PREPAREDNESS.....	--	4,538	--	4,538	--	4,538	--	--	--	--	--	--
MISC EQUIPMENT.....	--	16,664	--	16,664	--	8,400	--	--	--	-8,264	--	-8,264
MISC EQUIPMENT-SOF.....	--	2,499	--	2,499	--	2,499	--	--	--	--	--	--
MODIFICATIONS.....	--	1,040	--	1,040	--	1,040	--	--	--	--	--	--
GENERAL REDUCTION, CLASSIFIED PROGRAM.....	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL, OTHER BASE MAINTENANCE AND SUPPORT EQUIP.....		5,443,804		5,442,105		5,357,211				-86,593		-84,894
TOTAL, OTHER PROCUREMENT, AIR FORCE.....		8,393,500		8,097,047		8,133,249				-260,251		+36,202

AUTHORIZATION CHANGES

The Committee recommends the following reduction in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Vehicle items <\$2 M	12,888	8,888	- 4,000
Civil air patrol vehicle		800	+ 800
R-11 refueler	54,542	53,542	- 1,000
Vehicle items <\$2 M	19,161	15,161	- 4,000
Vehicle items <\$2 M	12,240	10,240	- 2,000
ADP equipment	82,716	67,716	- 15,000
Weapons storage security	36,847	32,847	- 4,000
Anti-jam radios	10,277	8,187	- 2,090
Civil air patrol com.		600	+ 600
Miscellaneous equip.	16,700	8,400	- 8,300
Tactical air control	137,349	119,998	- 17,351
MILSTAR terminals	73,394	65,994	- 7,400
Intel. production sup.	92,363	88,363	- 4,000
Mk. 82/BDU-50 bombs		19,800	+ 19,800
BIGEYE bomb	89,487	10,000	- 79,487

HOUSE REDUCTIONS

The Committee agrees with the following reductions proposed in the House report:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
2.75-inch rockets	16,296	10,000	- 6,296
AT-4	3,800	3,020	- 780
5.56 mm ammunition	4,690	4,290	- 400
B-1B IR flare	5,911	1,999	- 3,912
MJU-10B flare	16,052	9,352	- 6,700

These reductions are primarily the result of the General Accounting Office review of joint service munitions programs. Reasons for these reductions included repricing contracts, production delays, and technical problems with components.

MUNITIONS AND ASSOCIATED EQUIPMENT

Sensor fuzed weapon.—The Committee notes with concern the deferral of initial production funding for sensor fuzed weapons [SFW] from the request. "Smart munitions" such as the SFW can exercise a critical force multiplier effect and thereby enhance our overall conventional force capabilities, particularly against a numerically superior adversary. Such weapons should be developed as expeditiously as demonstrated technological progress permits to meet national security requirements.

The Committee urges the Air Force to proceed with development and testing of SFW, and expects initial procurement to commence in fiscal year 1990.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

Range improvements.—The Committee recommends a reduction of \$25,000,000 in the request of \$134,952,000. The recommendation defers additional funding for the Crow Valley training facility in the Philippines. The Air Force has redefined the project at Crow Valley, delaying planned contract award and initial site preparation activities. No funds should be obligated for this project until the Air Force has submitted its revised acquisition and installation plan to the House and Senate Committees on Appropriations. The Committee also denies \$20,000,000 for the training range upgrade project planned in NATO. Consistent with other burdensharing initiatives included in this report, the Committee believes that this joint use facility should be funded cooperatively with our NATO allies.

The Gulfport Aircraft Combat Maneuvering Instrumentation System [ACMI] range provides the total force with state-of-the-art combat training capability over the Gulf of Mexico. It does not allow overland training. Using the military training area in Mississippi's Camp Shelby range, the Gulfport ACMI can be expanded to significantly enhance joint operations over land by exploiting flexibility built into the present system. The air-to-ground No Drop Bomb Scoring capability can be added to allow electronic scoring of weapons delivery and tactics evaluation both during and after the combat training sortie. The system would include a ground-based threat simulator integrated with threat emitters at Gulfport's host ACMI. A critical capability provided by this upgrade will be enhanced, low-altitude overland air-to-air training. The upgrade will allow military pilots to practice tactics in a high-threat realistic environment.

The Committee feels the new capability provided by expanding the Gulfport ACMI to include overland training at Camp Shelby are need now. Therefore, the Committee recommends \$13,000,000 from within this request be available only for development of Gulfport's ACMI expansion to include instrumenting the Camp Shelby range.

Spares.—The Committee recommends a reduction of \$15,722,000 in the request of \$215,722,000. This allowance is consistent with other programmatic adjustments to systems in this budget activity.

NAVSTAR GPS.—The Committee agrees with the proposal of the House that the Department of Defense evaluate and consider alternative technologies in the provision of NAVSTAR GPS equipment to various platforms and users. Funds provided for research, integration, testing, and procurement of NAVSTAR GPS equipment should be available, at the discretion of program officials, to support these efforts.

OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT

Chemical/biological defense equipment.—The Committee recommends a reduction of \$20,000,000 in the request of \$95,766,000. This action defers approximately half the funds requested for procurement of Survivable Collective Protective Systems [SCPS]. The Air Force has yet to obligate available fiscal year 1986, 1987, and 1988 appropriations for

this item. The Committee strongly supports procurement of SCPS, and other improvements in chemical protective systems, but believes this level of funding more than adequate to support planned procurements with prior year and fiscal year 1989 appropriations.

Medical/dental equipment.—The Committee recommends a reduction of \$16,207,000 in the request of \$116,207,000. The request included \$34,300,000 for the procurement of SCPS, as described above. The inability of the Air Force to obligate prior year appropriations limits the requirement for additional SCPS funding in this request.

Selected activities.—The Committee recommends a reduction of \$33,600,000 in the request of \$4,636,700,000. This action is explained in the classified annex to this report.

Host nation support.—Consistent with other actions in this report, the Committee denies the request of \$4,522,000 to procure munitions and equipment for Federal Republic of Germany reserve component forces.

RESTORED HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
30 mm training ammo	67,164	59,444	67,164
TAF fuze	11,245		11,245
Hard target bomb	31,877	51,377	31,877
Mk-84 bomb empty		14,700	
Mk-84 bomb HE		31,500	
MARV vehicle	18,200		18,200
TRACALS	740	30,740	740
OTH-B radar	161,038		161,038
MAC C2	24,708	20,408	24,708
Command center processing	23,553		23,553

PROCUREMENT, DEFENSE AGENCIES

1988 appropriation	\$1,266,263,000
1989 budget estimate	1,216,100,000
House allowance	1,207,550,000
Committee recommendation	1,130,000,000

The Committee recommends an appropriation of \$1,130,000,000, a reduction of \$86,100,000 to the budget estimate and \$77,550,000 less than the House allowance.

This appropriation provides for procurement of capital equipment for the Defense Communications Agency, the Defense Investigative Service, the Defense Mapping Agency, the Defense Logistics Agency, and other agencies of the Department of Defense. The fiscal year 1986 program includes procurement of automatic data processing equipment, mechanical materials handling systems, general and special-purpose vehicular equipment, communications equipment, and mapping, charting, and geodetic equipment.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the House allowance.

[In thousands of dollars]

	1988 budget		1988 House		Committee recommendation		Senate compared to—	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Budget amount	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(8)	(10)
PROCUREMENT, DEFENSE AGENCIES								
MAJOR EQUIPMENT, OSD	--	--	--	--	--	--	--	--
MOTOR VEHICLES.....	--	96,789	--	96,789	--	96,789	--	--
MAJOR EQUIPMENT, OSD/WHS.....	--	65,600	--	65,600	--	--	-65,600	-65,600
REMOTELY PILOTED VEHICLES.....	--	--	--	--	--	--	--	--
MAJOR EQUIPMENT, DHA	--	742	--	742	--	742	--	--
VEHICLES.....	--	2,688	--	2,688	--	2,688	--	--
OTHER CAPITAL EQUIPMENT.....	--	--	--	--	--	--	--	--
MAJOR EQUIPMENT, DCA	--	12,393	--	12,393	--	12,393	--	--
WAWCS ADP SYSTEMS.....	--	29,842	--	29,842	--	29,842	--	--
ITEMS LESS THAN \$2 MILLION.....	--	--	--	--	--	--	44,500	44,500
CLASSIFIED ADJUSTMENT.....	--	--	--	--	--	4,500	--	--
MAJOR EQUIPMENT, DLA	--	5,758	--	5,758	--	5,758	--	--
MATERIALS HANDLING EQUIPMENT.....	--	1,520	--	1,520	--	1,520	--	--
VEHICLES.....	--	23,879	--	23,879	--	23,879	--	--
MECHANIZED MATERIALS HANDLING SYS.....	--	52,720	--	27,720	--	27,720	-25,000	--
ADP EQUIPMENT.....	--	7,570	--	7,570	--	7,570	--	--
TELECOMMUNICATIONS EQUIPMENT.....	--	5,105	--	5,105	--	5,105	--	--
OTHER MAJOR EQUIPMENT.....	--	4,500	--	4,500	--	4,500	--	--
ITEMS LESS THAN \$2 MILLION.....	--	--	--	--	--	--	--	--

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty. (1)	Amount (2)	Qty. (3)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Budget amount (8)	Qty. (8)	Budget amount (9)	House amount (10)
MAJOR EQUIPMENT, DMA												
AJP EQUIPMENT.....	--	3,000	--	--	3,000	--	3,000	--	--	--	--	--
VEHICLES.....	--	114	--	--	114	--	114	--	--	--	--	--
OTHER CAPITAL EQUIPMENT.....	--	70,594	--	--	70,594	--	70,594	--	--	--	--	--
MAJOR EQUIPMENT, DIS												
VEHICLES.....	--	--	--	--	--	--	--	--	--	--	--	--
OTHER CAPITAL EQUIPMENT.....	--	2,426	--	--	2,426	--	2,426	--	--	--	--	--
MAJOR EQUIPMENT, USJCS												
ITEMS LESS THAN \$2 MILLION.....	--	855	--	--	855	--	855	--	--	--	--	--
MAJOR EQUIPMENT, DCMA												
ITEMS LESS THAN \$2 MILLION.....	--	3,517	--	--	3,517	--	3,517	--	--	--	--	--
MAJOR EQUIPMENT, DSDO												
ITEMS LESS THAN \$2 MILLION, DRSP.....	--	260,841	--	--	260,841	--	260,841	--	--	--	--	--
AIRBORNE RECONNAISSANCE SUPPORT PROGRAM.....	--	25,000	--	--	25,000	--	25,000	--	--	--	--	--
MAJOR EQUIPMENT, DIG												
ITEMS LESS THAN \$2 MILLION.....	--	958	--	--	958	--	958	--	--	--	--	--
CLASSIFIED PROGRAMS.....	--	539,689	--	--	556,139	--	539,689	--	--	--	--	-16,450
		=====			=====		=====				=====	
TOTAL, PROCUREMENT, DEFENSE AGENCIES.....		1,216,100			1,207,500		1,130,000				-86,100	-77,550

OFFICE OF THE SECRETARY OF DEFENSE

Remotely piloted vehicles.—The Committee denies the request of \$65,600,000. The Department of Defense has not complied with the report requirements in the fiscal year 1988 Defense Appropriations Act associated with the merging of RPV development and procurement into a centrally managed program. The Department has provided no detail as to how the request would be allocated to various RPV programs, and the unspecified appropriations from fiscal year 1988 have not been obligated.

Composite health care system.—The Committee agrees with the statement in the House report specifying that management and funding for the deployment of the CHCS to Department of Defense medical facilities remain centrally controlled within the Office of the Assistant Secretary of Defense (Health Affairs). To realize the full benefits of the CHCS investment, these systems must be deployed in a timely and logical manner, which could be jeopardized by multi-service control of funds and planning. The Committee strongly supports this initiative to upgrade medical information systems throughout the Defense medical care community, and identifies CHCS as a program of special interest.

Joint medical information system initiatives.—The Committee notes several other medical information programs ongoing in the Department of Defense, designed to support both peace-time and war-time requirements. Recognizing the each service has special requirements for systems, the Department of Defense should work to maintain the highest possible level of interoperability and commonality in these systems. All individual service procurements of medical information systems should be reviewed by the Assistant Secretary of Defense (Health Affairs) prior to the release of any request for proposals for such systems to insure compatibility with defense wide requirements.

The Committee understands that several tests of medical information systems are scheduled as part of Department of Defense field exercises, including the annual REFORGER exercise with NATO. The Committee supports the extension of these systems into the battlefield environment, and requests the Secretary of Defense to report the results of these tests and the utility of such systems to combat medical activities to the House and Senate Committees on Appropriations no later than March 15, 1989. Additionally, the Assistant Secretary of Defense (Health Affairs) should report to the House and Senate Committees on Appropriation the status of medical information system architectural design plans by March 15, 1989.

DEFENSE LOGISTICS AGENCY

Computers.—The Committee agrees with the House proposed reduction of \$25,000,000 in the request of \$52,720,000.

CLASSIFIED ACTIVITIES

Classified increase.—The Committee proposes an increase of \$4,500,000 for classified programs. This action is explained in the classified annex to this report.

NATIONAL GUARD AND RESERVE EQUIPMENT

1988 appropriation	\$1,200,000,000
1989 budget estimate.....	
House allowance.....	1,174,500,000
Committee recommendation	843,500,000

The Committee recommends a funding level of \$843,500,000 for National Guard and Reserve dedicated equipment. This recommendation is \$331,000,000 below the allowance provided by the House.

Of the total amount provided, the Committee recommends \$150,000,000 for the procurement of unspecified, everyday unit equipment for Guard and Reserve units. This is \$77,000,000 more than the House allowance for this miscellaneous equipment category.

The Committee requests that the Chief of each National Guard and Reserve Component receiving such funds for unit equipment shall allocate them to provide units with the most military capability for the money, based upon the readiness requirements of their respective units. In addition, a report is to be provided to the Senate and House Committees on Appropriations and Armed Services on the items of equipment to be procured with such funds within 120 days after the date of enactment of this act.

Further, the \$15,000,000 recommended for Reserve Seabee Unit equipment outfitting will be managed and configured by units sets to facilitate rapid deployment.

The Committee has also provided \$693,500,000 of specified unit equipment, \$408,000,000 less than the total House allowance for designated equipment purchases.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommended program in comparison to the House allowance:

[In thousands of dollars]

	1989 budget			1989 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE												
ARMY RESERVE												
MISCELLANEOUS EQUIPMENT.....	--	--	--	40,000	--	30,000	--	+30,000	--	-10,000	--	-10,000
TRUCKS, COMMO, AND OTHER SUPPORT EQUIPMENT.....	--	--	--	200,000	--	--	--	--	--	-200,000	--	-200,000
TOTAL.....				240,000		30,000		+30,000		-210,000		
NAVY RESERVE												
MISCELLANEOUS EQUIPMENT.....	--	--	--	--	--	10,000	--	+10,000	--	+10,000	--	+10,000
SH-2 BLOCK UPGRADE.....	--	--	--	62,200	--	--	--	--	--	-62,200	--	-62,200
SH-2F/G SUPPLY SUPPORT EQUIP.....	--	--	--	--	--	--	--	--	--	--	--	--
SEABEE EQUIPMENT.....	--	--	--	--	--	20,000	--	+20,000	--	+20,000	--	+20,000
P-3C AIRCRAFT.....	--	--	--	--	--	--	--	--	--	--	--	--
P-3 NODS.....	--	--	--	55,000	--	--	--	--	--	-55,000	--	-55,000
SH-3H HODS.....	--	--	--	4,600	--	--	--	--	--	-4,600	--	-4,600
AIRBORNE MINE COUNTER MEASURES.....	--	--	--	8,000	--	--	--	--	--	-8,000	--	-8,000
MEDICAL & DENTAL EQUIP.....	--	--	--	--	--	--	--	--	--	--	--	--
CRYPTOLOGICAL EQUIP.....	--	--	--	--	--	--	--	--	--	--	--	--
AN/SOR-17 ACOUSTIC PROCESSOR.....	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL.....				179,800		30,000		+30,000		-99,800		
MARINE CORPS RESERVE												
MISCELLANEOUS EQUIPMENT.....	--	--	--	--	--	10,000	--	+10,000	--	+10,000	--	+10,000

[In thousands of dollars]

	1988 budget			1988 House			Committee recommendation			Senate compared to—		
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Budget amount	Qty.	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(10)
FIRE SUPPORT TEAM VEHICLES.....	---	---	---	---	---	---	---	---	---	---	---	---
M1A1 TANK.....	---	---	---	---	58	130,000	58	+130,000	+58	+130,000	+58	+130,000
TRAINING DEVICES.....	---	---	---	25,000	---	---	---	---	---	---	---	-25,000
(SUSV)	---	---	---	---	---	8,000	---	+8,000	---	+8,000	---	+8,000
TOTAL.....	---	---	---	333,000	---	263,000	---	+263,000	---	-70,000	---	-70,000
AIR NATIONAL GUARD	---	---	---	---	---	---	---	---	---	---	---	---
MISCELLANEOUS EQUIPMENT.....	---	---	---	---	---	20,000	---	+20,000	---	+20,000	---	+20,000
C-130 AIRCRAFT.....	---	---	8	163,000	16	326,000	+16	+326,000	+8	+163,000	---	+163,000
MH-60G HELICOPTERS.....	---	---	---	---	---	---	---	---	---	---	---	---
HC-130 AIRCRAFT.....	---	---	---	---	---	30,000	---	+30,000	---	+30,000	---	+30,000
F-15 A/B NSIP.....	---	---	---	---	---	---	---	---	---	---	---	---
COMMUNICATIONS EQUIP.....	---	---	---	---	---	---	---	---	---	---	---	---
ECM PODS.....	---	---	---	---	---	---	---	---	---	---	---	---
AIRCRAFT SPARES.....	---	---	---	---	---	16,500	---	+16,500	---	+16,500	---	+16,500
ACH1 TIER FIGHTER TRAINING PH II.....	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL.....	---	---	---	163,000	---	392,500	---	+392,500	---	+229,500	---	+229,500
TOTAL, NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE	---	---	---	1,174,500	---	843,500	---	+843,500	---	-331,000	---	-331,000

Army Reserve.—The Committee recommends an allowance of \$30,000,000 for unspecified miscellaneous equipment purchases for the Army Reserve. This recommendation is \$10,000,000 above the House allowance.

Navy Reserve.—The Committee recommends an allowance of \$10,000,000 for the Navy Reserve and \$20,000,000 for the Seebees for the purchase of unspecified miscellaneous equipment. This recommendation is \$30,000,000 above the allowance provided by the House.

Marine Corps Reserve.—The Committee recommends \$10,000,000 for unspecified equipment and \$45,000,000 for the procurement of two KC-130T aircraft for the Marine Corps Reserve. The House has provided a similar allowance for the KC-130T aircraft but has not funded the \$10,000,000 for unspecified equipment.

Air Force Reserve.—The Committee recommends \$10,000,000 for the procurement of unspecified miscellaneous equipment, \$42,000,000 for the procurement of six MH-60 helicopters for the 304th Aerospace and Rescue Squadron, and \$21,000,000 for KC-135 modifications. The House has provided similar funding for the MH-60 helicopters but has not recommended funding for the miscellaneous equipment or KC-135 modifications. The Committee recommendation for KC-135 will allow the Air Force Reserve to reconfigure six aircraft which are transitioning from the active inventory to the Air Force Reserve into the standard configuration for Air Force Reserve KC-135's.

Army National Guard.—The Committee recommends \$50,000,000 for the procurement of unspecified miscellaneous equipment for the Army National Guard. This recommendation is \$17,000,000 above the House allowance.

The Committee also recommends \$75,000,000 for the procurement of at least 300 M-113 armored personnel carriers, \$130,000,000 for at least 58 M-1A1 tanks, and \$8,000,000 for small unit support vehicles [SUSV] for the new Army National Guard roundout battalion component of the 6th Light Infantry Division.

The Committee reiterates the report language in the "Weapons and tracked combat vehicle, Army" account, that procurement of new 120 mm M-1A1 tanks, with the DU armor package for the National Guard is not the intent of the Committee. The Army leadership will, however, provide 120 mm M-1A1's for the Army National Guard on an expedited basis.

Air National Guard.—The Committee recommends \$20,000,000 for the procurement of unspecified miscellaneous equipment not funded by the House. The Committee also recommends \$326,000,000 for the procurement of 16 C-130 aircraft, \$30,000,000 for the F-15 Multi-Stage Improvement Program [MSIP], and \$16,500,000 for the Air Combat Maneuver Instrumentation [ACMI] range.

The Committee understands that the Air National Guard and Air Force Reserve intend to replace their outdated C-130 training simulators with modern facilities. The Committee agrees with the need for these facilities on a priority basis. The Air Guard intends to establish

two regional training centers, one east of the Mississippi River and one west of the Mississippi. The two-site arrangement is designed to reduce travel time and costs for Guard and Reserve personnel using the facilities. With these criteria in mind, the Committee believes that Cheyenne, WY, would be the best site to meet the needs of Guard and Reserve units from the West and Northwest and requests the Air National Guard to locate its western regional C-130 training facility there. The Committee requests the Guard to make available \$27,200,000 of the funds available under this section for the establishment of this facility.

OTHER HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Army Reserve:			
Trucks		200,000	
Navy Reserve:			
SH-2 blk upgrade		62,200	
P-3 modifications		55,000	
SH-3H mods		4,600	
Airborne mine countermeasures		8,000	
Marine Corps Reserve:			
TAC air ops module		26,800	
Air Force Reserve:			
C-130 aircraft		163,000	
H-60 supply equip		6,900	
Army National Guard:			
5-ton trucks		50,000	
Trucks		150,000	
Training devices		25,000	

ITEMS OF SPECIAL INTEREST

DISPOSITION OF ROLAND AIR DEFENSE SYSTEM

The Army will deactivate the New Mexico National Guard's Roland air defense battalion in fiscal year 1988. The Army is currently developing a disposition plan for these systems.

The Committee notes the large investment (over \$1,400,000,000) made in these systems and the associated logistics package. The Committee recommends that, if other uses are not found within the Department of Defense or the U.S. Government, that the Army will dispose of them in a manner which gets some use of these systems and minimizes any future logistics support requirements for the vehicles. One such method would be to transfer them to the U.S. Air Force or the Federal Republic of Germany [FRG] for defense of United States air bases in West Germany which already have a Roland support base. Manning for these assets could be provided by the FRG, using the successful Roland/Patriot agreement as a model. The Committee looks forward to receiving the Army's final plan.

DEFENSE PRODUCTION ACT PURCHASES

1988 appropriation	\$13,000,000
1989 budget estimate.....	27,500,000
House allowance.....	39,500,000
Committee recommendation	13,000,000

The Committee recommends an appropriation of \$13,000,000, a decrease of \$14,500,000 below the budget request and \$14,500,000 less than the House allowance. The Committee remains concerned over the backlog of prior-year programs that have not achieved execution within the year of appropriation. The Committee proposes to sustain funding at the level appropriated for fiscal year 1988, and urges the Department of Defense to apply necessary resources and priority to the execution of these initiatives to provide essential materials for defense production activities.

The Committee supports the request for the discontinuous reinforced aluminum project, and expresses special interest in the progress of this program.

TITLE IV

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SUMMARY OF COMMITTEE ACTION

The fiscal year 1989 Department of Defense budget for research, development, test, and evaluation totaled \$38,157,100,000. The accompanying Senate bill contains \$37,605,525,000, a reduction of \$551,575,000, or about 1.5 percent, from the budget estimate. The recommended allowance is \$1,476,129,000 above the House allowance, and \$538,209,000 above the fiscal year 1988 appropriation for RDT&E. The following table summarizes the budget estimates and Committee recommendations:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Research, development, test, and evaluation:				
Army.....	5,030,700	5,042,965	5,011,894	- 18,806
Navy.....	9,216,200	9,136,405	9,291,614	+ 75,414
Air Force.....	14,932,100	14,313,135	14,558,332	- 343,768
Defense Agencies.....	8,667,800	7,468,757	8,423,698	- 244,102
Director, test and evaluation, De- fense.....	166,900	155,900	146,587	- 20,313
Operational test and evaluation	143,400	12,234	143,400.....	
Total, RDT&E.....	38,157,100	36,129,396	37,605,525	- 551,575

COMMITTEE OVERVIEW

The Committee reviewed the fiscal year 1989 budget request for RDT&E with two principal objectives:

One, to assess progress made by the military Services and the Defense Agencies in reducing duplication, excessive redundancy, and unprioritized RDT&E programs—highlighted in last year's Committee report—and to encourage further progress in this effort;

Two, to forego this year—absent convincing military justification to the contrary—major new, or expanded, programmatic obligations which might be unsustainable if further fiscal constraints are imposed.

Regarding the first objective, the Committee found that progress has been made in reducing costly duplication among RDT&E programs, even though only a short period of time has elapsed since passage of the Department of Defense Appropriations Act, 1988. The Committee recognizes the initial steps taken by the Office of the Secretary of Defense [OSD] to make difficult, priority-setting choices in the area of

conventional standoff weapons. The Army is to be commended for reconciling many programs into a coherent armor/antiarmor master plan.

However, the Committee believes that much more needs to be done to eliminate wasteful redundancy. For example, the Defense Department has been unable to produce a remotely-piloted vehicle master plan in a timely manner to provide useful guidance to fiscal year 1989 budget deliberations. Also, the armed services still are proposing, formally or informally, several new and very costly initiatives which have not been adequately coordinated with other programs to ensure against unnecessary overlap. The Committee notes proposals in the aerial surveillance, tactical aircraft, and antitactical ballistic missile areas as cases in point.

MAJOR COMMITTEE RECOMMENDATIONS

Reflecting this approach, the Committee's major recommendations, by service, are:

Army.—(1) significant increases above the budget request to enhance the Army's anti-armor efforts, including: (a) \$30,000,000 for initiation of a major upgrade program, BLOCK III, for the M1A1 main battle tank; (b) \$13,900,000 to fully fund the M1A1's BLOCK II improvements in fiscal year 1989; (c) \$30,000,000 to expand research on the hypervelocity missile heavy antitank weapon; (d) \$20,000,000 for a classified anti-armor initiative; (e) \$10,000,000 to begin development of a terminally guided submunition antiarmor warhead for the Army Tactical Missile System [ATACMS]; and (f) \$8,800,000 to improve existing TOW and Hellfire heavy antitank missiles; (2) funding \$31,514,000 for the Anti-tactical Missile System program for the Patriot surface-to-air missile and transferring to the Army the \$114,900,000 for theater missile defense-related activities in the Strategic Defense Initiative; (3) fully funding the \$90,400,000 requested for the Multi-Stage Improvement Program [MSIP] for the AH-64 Apache attack helicopter, but deferring \$40,897,000 sought for the MSIP for the UH-60 Blackhawk utility helicopter; (4) providing \$27,000,000 to expand research into vaccines and cures for the Acquired Immune Deficiency Syndrome [AIDS]; (5) funding \$7,481,000 for the Follow-On LANCE Missile Program.

Navy/Marine Corps.—(1) a \$65,000,000 increase above the budget request to accelerate development of the Navy version of the Air Force's advanced tactical fighter [ATF], and fully funding the classified budget request for the Navy's advanced tactical aircraft [ATA]; (2) providing \$80,287,000 to develop a common standoff antisubmarine weapon, based on the SEA LANCE submarine-launched antisubmarine warfare [ASW] rocket, for both surface ships and submarines, and denying \$30,287,000 sought for the surface ship vertical launched antisubmarine rocket, which the Navy intends to terminate to eliminate costly duplication; (3) funding \$25,269,000 for the Satellite Laser Communication Program.

Air Force.—(1) Fully funding the authorized, classified amounts for the advanced technology [STEALTH] bomber and the advanced cruise

missile; (2) providing \$686,900,000 for the Peacekeeper/Rail Garrison Intercontinental Ballistic Missile [ICBM] Program, and only \$50,000,000 for the Small ICBM Program; (3) appropriating almost the fully authorized amount, \$682,483,000, for the Air Force ATF; (4) approving \$36,504,000 of \$61,504,000 requested for the long-range conventional cruise missile and associated guidance and propulsion efforts, but transferring those funds to the Joint Standoff Weapons [JSOW] Program in the Office of the Secretary of Defense; (5) funding \$10,000,000 for the Strategic Conventional Standoff Capability Program but also transferring it to the JSOW Program; (6) deferring the \$94,400,000 sought for the Radar System Improvement Program for the airborne warning and control [AWACS] aircraft; (7) providing \$936,337,000 for the C-17 advanced transport aircraft; (8) appropriating \$189,405,000 for the national aerospace plane [NASP]; (9) approving \$453,085,000 for space boosters in the Space Launch Recovery Program, but restricting its obligation and expenditure until the Defense Department submits the National Space Plan mandated by the Committee last year; (10) providing \$15,000,000 for B-1B bomber integration activities to permit the Air Force to evaluate alternatives to the aircraft's current electronic counter-measures system.

Defense agencies.—(1) funding \$3,717,000,000 for the Strategic Defense Initiative [SDI], along with: (a) bill and report language earmarking minimum funding levels for seven high priority projects within SDI (Boost Surveillance and Tracking System, \$175,000,000; Exoatmospheric Reentry-vehicle Interceptor System, \$202,000,000; High Endoatmospheric Defense Interceptor, \$150,000,000; Advanced Launch System, \$200,000,000, including \$96,500,000 to be transferred to the National Aeronautics and Space Administration; Neutral Particle Beam, \$105,000,000; Medical Technologies, \$29,000,000; Gallium Arsenide integrated circuit technology, \$17,000,000); (b) bill language transferring the previously-discussed tactical missile defense funds to the Army and the ALS funds to NASA; (c) bill and report language about the direction and composition of the SDI program; (2) funding increases totaling \$134,000,000 in programs administered by the Defense Advanced Research Projects Agency [DARPA] to support research in Concurrent Design and Engineering advanced manufacturing technology (\$20,000,000), advanced semiconductors (\$15,000,000), high temperature superconductors (\$21,000,000), x-ray lithography (\$27,000,000), single pulse excimer laser technology (\$15,000,000), optoelectronics (\$14,500,000), training and simulation technology (\$5,000,000); and plasma arc/ferrochromium technology (\$3,500,000); (3) funding \$301,100,000, for the balanced technology initiative to investigate advanced technologies to enhance conventional war-fighting capabilities; (4) providing \$200,598,000 for the NATO cooperative R&D program to share development costs for new weapons systems with our allies, but with accompanying report language restricting the obligation and expenditure of funds for the upgrade of the Navy's F/A-18 fighter (\$42,800,000 in fiscal year 1988 and \$76,700,000 in fiscal year 1989) and of the Air

Force's F-16 fighter (\$5,000,000 in fiscal year 1988 and \$7,500,000 in fiscal year 1989 for the F-16 Agile Falcon) until these efforts are better coordinated with other major tactical aircraft programs, and until the allies commit to significant cost shares; (5) denying the \$34,766,000 requested for the Joint Remotely Piloted Vehicles [RPV] Program because all the appropriated fiscal year 1988 funds, \$50,300,000, remain unobligated and because OSD has failed to submit the required, updated RPV master plan in a timely enough manner to justify how the fiscal year 1989 funds would be used.

PRINCIPAL COMMITTEE OBSERVATIONS

ANTITACTICAL BALLISTIC MISSILE PROGRAMS

In view of the overlap between Army and Strategic Defense Initiative [SDI] programs to develop antitactical ballistic missile [ATBM] capabilities, the Committee is recommending that the \$114,900,000 for ATBM development and theater missile defense-related activities in SDI be transferred to the Army. In the past, these funds have supported SDI-managed efforts to evaluate and develop several ATBM technologies, including missiles, guns, hypervelocity guns, and directed energy weapons, being pursued by United States and allied interests, including the United Kingdom, The Netherlands and Israel. The Committee is aware of the potential contributions all these efforts might make to enhancing United States and allied ATBM capabilities.

Under the Committee's recommendation, the Army's separate Antitactical Missile System Program also would receive \$31,514,000. The Committee understands that the Army is considering whether to begin, as part of this program, an initiative to develop an Advanced Tactical Patriot for the ATBM mission, as well as whether to pursue a Patriot ATBM Codevelopment Program, costing \$3,300,000,000, with the Federal Republic of Germany.

The Committee also recognizes that the manpower, force structure, and budgetary limits facing the Army in the future require that the Army consider whether any ATBM system to be developed should possess some residual air defense capability and should not require special purpose launchers and force structure.

Considering the magnitude of the tactical ballistic missile threat, and the likely great expense to develop defenses against it, the Committee believes it is especially important to ensure that the most cost- and militarily effective solution to the ATBM problem is selected, that redundant efforts be eliminated, and that there be maximum cost-sharing with our allies.

For all these reasons, the Committee requires that before the Army obligates or expends any of the funds associated with the ATBM programs, including any fiscal year 1988 or fiscal year 1989 NATO cooperative R&D funding, the Congress receive the results of a comprehensive analysis comparing the cost- and military-effectiveness of all the SDI candidate ATBM missiles and the advanced tactical Patriot, along with

a detailed justification for the Army's decisions to allocate the funds provided and to eliminate duplication among these programs. The Committee expects that the Army's comparative analysis will include, at a minimum: (1) an evaluation of the suitability of each of the ATBM systems for performing the dual-capable, air defense/ATBM mission; (2) total program and 5-year defense program costs, and impacts on Army force structure and manpower requirements, of each system; and (3) details of the cost-shares to be borne under any codevelopment program by the United States and any participating ally, and committed by any ally, and why such shares represent an equitable division of the financial burden of the program.

ARMY HELICOPTER PROGRAMS

The Committee recommends full funding of the requested \$180,485,000 for the restructured Light Helicopter Experimental [LHX] Program to develop the Army's future light attack/scout helicopter—now known as the light armed scout helicopter. The fiscal year 1989 budget request includes \$124,687,000 for RDT&E on the airframe and mission equipment package avionics and \$55,798,000 for the aircraft propulsion system, the T-800 engine.

Considering the LHX program's past difficulties, the Army and OSD are to be commended for finally making the hard choices to create what appears, upon initial examination, to be a more reasonable and more achievable, advanced helicopter development program. The Committee hopes that, at long last, the troubles and delays of the LHX program are long behind the Army. However, the Committee would caution the Army to make every effort to prevent the restructured program from suffering the same problems as beset the LHX. Most particularly, the Committee believes that the Army should pay special attention to ensuring that the light armed scout helicopter does not experience the cost and weight growth which undermined the LHX effort.

The Committee also recommends full funding of the \$90,400,000 sought for the Multi-Stage Improvement Program [MSIP] for the AH-64 Apache attack helicopter, but is recommending that the \$40,897,000 sought for the MSIP for the UH-60 Blackhawk utility helicopter be deferred. The marginal increase in range and endurance provided by the Blackhawk MSIP does not appear, at this time, to justify the cost of the program, and the Committee is unconvinced that the Army has considered adequately how its mission needs could be met through an alternative means. The Army should evaluate the cost-effectiveness of the installation of refueling probes on the UH-60, and report back to the Committee with the submission of the fiscal 1990 budget request.

PEACEKEEPER/RAIL GARRISON AND SMALL ICBM

Consistent with its recommendation last year, the Committee is recommending \$686,900,000 for the Peacekeeper/Rail Garrison Intercontinental Ballistic Missile [ICBM] Program. This amount almost fully

funds the Senate-approved authorization level for the program. The remaining authorized funds, \$13,100,000 for RDT&E-related military construction for the program, is provided in the Committee's recommended Military Construction Appropriations Act, 1989, as discussed later in this report.

The Committee strongly reaffirms its position of last year that Peacekeeper/Rail Garrison is more cost- and militarily-effective than the Small, Mobile ICBM, and that the Small ICBM Program should be terminated. From this perspective, the Committee normally would recommend providing no funds for the Small ICBM Program in fiscal year 1989. However, the Committee reluctantly agrees to provide \$50,000,000, the Senate-authorized amount, to the program to permit the next administration to express its opinion on the Small ICBM's fate. The Committee is confident that the high cost and marginal results from continuing the Small ICBM will become even more apparent when future defense budget limits are considered.

AWACS RADAR UPGRADE PROGRAM

LONG-RANGE CONVENTIONAL CRUISE MISSILE PROGRAM

Two Air Force programs have heightened the Committee's concern that insufficient coordination continues among costly and possibly overlapping development efforts: (1) upgrading the airborne warning and control aircraft [AWACS] through a \$500,000,000 to \$600,000,000 Radar System Improvement Program [RSIP]; and (2) developing a long-range conventional cruise missile at a cost of about \$900,000,000.

The AWACS RSIP is both technologically risky and possibly overlapping with the air defense initiative and airship programs, and ultimately it may prove insufficient to handle the expected Soviet threat. Accordingly the Committee recommends deferring the initiation of this program pending much closer examination by OSD of its duplicative aspects and cost- and military-effectiveness.

The Committee has less concern about the ultimate effectiveness and military contribution of the long-range conventional cruise missile [LRCM] than it does about the fragmented and redundant nature of several projects which could contribute to its smooth development. In addition to the basic LRCM program, for which \$50,000,000 is sought in fiscal year 1989, the Committee notes that another \$11,504,000 in cruise missile guidance and propulsion work is spread among three other programs in the Air Force and Defense Agencies. To increase coordination and eliminate duplication among these efforts, the Committee is recommending that all these programs be transferred to the Joint Standoff Weapons Program in OSD, and that \$36,504,000 be provided for LRCM and the associated guidance/propulsion work. The Committee also understands that the status of the LRCM within the standoff weapons master plan remains unsettled, so it recommends restricting the obligation or expenditure of these funds until this issue is resolved and the Committee is advised of the resolution by OSD.

RDT&E-RELATED MILITARY CONSTRUCTION

Due to the increased flexibility within the military construction accounts for fiscal year 1989, the Committee was able to finance \$126,010,000 in RDT&E-related, major and minor construction projects through its recommended Military Construction Appropriations Act, 1989. This funding mechanism is intended as a special exception to the usual practice of funding this construction through the RDT&E accounts. Accordingly, the Committee was able to reduce several individual line items in the overall Defense appropriations bill by the amounts associated with these projects. By component, these reductions total \$36,529,000 for the Army, \$27,784,000 for the Navy, and \$61,697,000 for the Air Force. The specific program elements and projects involved are listed later in the discussion of each service's RDT&E account.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

1988 appropriation	\$4,687,513,000
1989 budget estimate	5,030,700,000
House allowance	5,042,965,000
Committee recommendation	5,011,894,000

The Committee recommends an appropriation of \$5,011,894,000, a reduction of \$18,806,000 to the budget request. The recommendation is \$31,071,000 below the House allowance.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Technology base	751,965	740,926	743,283	- 8,682
Advanced technology develop- ment	374,357	383,001	413,379	+ 39,022
Strategic programs	80,108	77,108	70,108	- 10,000
Tactical programs	2,653,115	2,639,042	2,675,178	+ 22,063
Intelligence and communications ..	52,403	51,207	52,403	.....
Defensewide mission support	1,118,752	1,146,681	1,057,543	- 6,209

The budget activities and programs funded under this appropriation are discussed below.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments to the budget request based on authorization actions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Night vision technology	22,825	22,825	25,325	+ 2,500
Electronic warfare [EW] ad- vanced technology development				+ 4,000
Electronic warfare engineering development				+ 2,000
155 mm self-propelled howitzer im- provements	19,944	24,444	24,444	+ 4,500
Army user test instrumentation/ threat simulators	63,936	103,736	43,936	- 20,000
Forward area air defense [FAAD] system	164,212	194,212	184,212	+ 20,000

HOUSE REDUCTIONS

The Committee concurs in the following House reductions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Adjustment
Aircraft engine component im- provement program	11,914	5,714	5,714	- 6,200
Grass blade	9,719	4,719	4,719	- 5,000

MAJOR PROGRAM ADJUSTMENTS AND SPECIAL INTEREST ITEMS

The Committee recommends the following additional adjustments to the budget request, along with recommendations and observations about several special interest items:

Antiarmor initiatives.—As highlighted in the summary of major RDT&E recommendations, the Committee recommends several increases above the budget request to enhance the Army's antiarmor posture in view of major upgrades to Soviet armor and antiarmor capabilities. The increases are allocated to the following programs:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Adjustment
Advanced antitank weapon sys- tem inc/hypervelocity missile	21,763	51,013	51,763	+ 30,000
Combat vehicle improvement program	82,837	97,837	96,737	+ 13,900
M-1A1 development program (block III)			30,000	+ 30,000
Other missile product improve- ment programs	30,803	39,603	39,603	+ 8,800
Classified program			20,000	+ 20,000
Army tactical missile system [ATACMS] block II upgrade			10,000	+ 10,000

Respectively, the increased funds are intended to accomplish: (1) ex-
panded testing/development of the ground-launched hypervelocity mis-

sile as part of the Advanced Antiarmor Weapons System-Heavy [AAWS-H] Program; (2) correction of underfunding in the M-1A1 Main Battle Tank Block II Improvement Program to permit timely development of the tank commander's independent thermal viewer and other enhancements; (3) initiation of the M-1A1 Block III Improvement Program, which will develop an improved gun, powerplant, and suspension system; (4) upgrading the TOW-2 and Hellfire heavy antitank missiles for increased effectiveness against advanced armors; (5) initiating a classified antiarmor effort; and (6) beginning development to provide ATACMS with a terminally guided submunition to attack armored vehicles.

In addition, the Committee also recommends restricting the obligation and expenditure of all antiarmor enhancement funds added to these programs, and provided for advanced and engineering development of the Advanced Antiarmor Weapons Systems-Heavy and Medium [AAWS-H and AAWS-M], until the Army complies with the reporting requirements in this area set by the Committee last year. The Committee required that the fiscal year 1989 budget request be accompanied by a complete AAWS-H cost and operational effectiveness analysis [COEA] and information about how the Army is designing each AAWS-M candidate, from inception, to be compatible at minimum cost with the alternative warhead being developed in AAWS-M program. The Army has failed so far to provide such a report, and the Committee believes that a restriction on the use of the amounts mentioned in this paragraph may encourage the Army to do so.

Management and administration costs.—The fiscal year 1989 budget request included increases for management and administration costs which exceeded by unjustifiably large percentages the amounts appropriated in fiscal year 1988 for the same activities. The Committee recommends denying these increases but providing sufficient funds to protect these overhead functions from the effects of inflation. The program elements affected by this recommendation are:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Adjustment
Materials technology	12,963	12,963	11,038	-1,925
Electronic surveillance and fuzing technology	40,895	40,895	37,398	-3,497
Manpower/personnel/training technology	17,865	17,865	16,018	-1,847
Management headquarters	13,616	10,600	9,936	-3,680

Missile technology.— The Committee recommends an appropriation of \$21,828,000 for this program, a reduction of \$3,913,000 to the budget request and the same amount below the House allowance. The funds denied are associated with a remotely piloted vehicle [RPV] test bed activity which should be funded in the Joint RPV Program established in the Office of the Secretary of Defense by the Committee last year to eliminate wasteful duplication among service RPV programs. Sufficient

fiscal year 1988 funds remain unobligated for the Joint RPV Program to finance this activity, if the updated RPV master plan demonstrates its validity.

Human factors/personnel/training advanced technology.—The Committee recommends an appropriation of \$29,544,000 for this program, a reduction of \$1,000,000 to the budget request and the same amount below the House allowance. The funds denied were intended to fund study efforts of insufficiently high priority, in the Committee's opinion.

Acquired immune deficiency syndrome [AIDS] research.—The Committee recommends an appropriation of \$27,000,000 for this high-priority program to pursue vaccines and cures for the deadly AIDS virus. The recommendation is an increase of \$18,177,000 to the budget request and is the same amount above the House allowance. The additional funding is required to permit the Army to maintain its current level of effort in this program to utilize the unique features of the military population, and of the unique military medical treatment and research facilities, to help combat the disease.

Army Development and Employment Agency [ADEA].—The Committee has denied the budget request of \$1,988,000 for this agency, which recently was restructured and reduced in priority by the Army. The Committee's recommendation is \$4,988,000 below the House allowance. This mobility warfare test agency has outlived its usefulness and is no longer needed with the creation of the Army's light divisions. The Committee also believes that sufficient, alternative operational testing environments exist to make the continued funding of ADEA unjustified.

Army battlefield technology integration.—The Committee recommends an appropriation of \$7,434,000 for this program, a reduction of \$2,167,000 to the budget request and the same amount below the House allowance. With this reduction, it is the Committee's intention to terminate the Army's overly complex, ground vehicle robotics program, for which \$4,167,000 was requested for fiscal year 1989. The Committee approves \$2,000,000 of this amount for ground vehicle robotics research but restricts the use of the funds to the Army acquiring and evaluating—in a variety of non-weapons-carrying operational scenarios—a complement of already-developed Marine Corps robotics testbeds. The Committee believes the Army should acquire more practical experience with relatively uncomplicated robotics vehicles before it continues research on more sophisticated versions. In the Committee's view, expanded experimentation with the Marine Corps vehicles represents a less costly way at this time to pursue robotics vehicles for Army applications.

Allied burdensharing programs.—The Committee made several recommendations based partially on its concern that the United States' allies in NATO Europe and Japan carry an equitable share of the common defense burden:

(a) *Evolutionary surface-to-air missile [E-SAM].*—The Committee denies the budget request of \$3,053,000 for this new start program

to develop an air defense missile to replace the HAWK and CHAPPARAL systems. The cost to develop E-SAM is estimated to be at least \$397,000,000, and the Committee understands that the Army is investigating the possibility of conducting a jointly funded program with our NATO allies. Considering the magnitude of the costs involved, the Committee concludes this program should be deferred until the adequacy of any cost-sharing arrangements with our allies can be evaluated by Congress. E-SAM will enhance the capabilities of allied forces as much as it will benefit American forces, and the Committee strongly believes that U.S. allies should pay an equitable share of the costs to develop this system.

The House allowance contains the budget request for E-SAM.

(b) *Follow-on LANCE-advanced development.*—The Committee recommends an appropriation of \$7,481,000, a reduction of an equal amount to the budget request and \$2,519,000 above the House allowance, for this program to develop a new short-range, nuclear-capable, surface-to-surface missile for NATO. The Committee supports the appropriate modernization of NATO's ground-based, short-range nuclear deterrent forces. However, it concludes that allied uncertainties about the timing and composition of NATO's nuclear modernization programs permit a reduction in the pace of the follow-on LANCE efforts. The Committee further believes that, as with the E-SAM Program, the executive branch should obtain cost-sharing agreements with the allies for codevelopment and deployment of the follow-on LANCE.

(c) *International cooperative research and development.*—The Committee recommends an appropriation of \$136,000, a reduction of \$1,000,000 to the budget request and the same amount below the House allowance, for this program. The recommendation eliminates most of funds requested for international travel and activities partially duplicative of those carried out in other programs in the Defense Department.

The Committee expects the Army and OSD to pursue aggressively the previously discussed cost-sharing arrangements for both the E-SAM and follow-on LANCE programs, and to submit a report with the fiscal year 1990 budget request on the results of these efforts.

Armored family of vehicles [AFV].—The Committee denies the budget request of \$997,000 for this program to investigate concepts for a future family of armored vehicles based on common major components, such as the chassis. As currently structured, the AFV Program is premature and unnecessary, since the Army has decided to support a major upgrade of the M-1A1 main battle tank—the Block III Improvement Program discussed earlier. With the main battle tank conceivably no longer a member of the family, the Committee believes the Army will have to reconsider the cost-effectiveness analysis upon which it based the AFV program and the program's composition and direction.

The House allowance funds the budget request.

Army tactical missile system [ATACMS-BLOCK I].—The Committee recommends an appropriation of \$55,737,000, a reduction of \$28,700,000 to the budget request and \$25,700,000 below the House allowance for this program to develop a surface-to-surface missile to attack personnel, vehicles, and key fixed targets beyond artillery and rocket range. This reduction is not intended to indicate a lack of Committee support for ATACMS, but is based, instead, on information from the General Accounting Office which documents that \$17,200,000 is excess to program requirements for fiscal year 1989 and that \$11,500,000 in unobligated fiscal year 1988 funds is available to support fiscal year 1989 activities.

Joint surveillance/target attack radar system [JSTARS].—The Committee recommends an appropriation of \$23,782,000 for this program to develop ground station modules to receive targeting information from the airborne surveillance components of the JSTARS system. The recommendation is an increase of \$4,600,000 above the budget request and an equal amount above the House allowance.

The JSTARS Program was restructured recently, and the Committee understands that the additional funds are needed to permit timely development of the ground station modules to support important operational testing milestones in the revised program.

Advanced field artillery tactical data system [AFATDS].—The Committee recommends an appropriation of \$12,717,000, a reduction of \$5,000,000 from the budget request and an equal amount below the House allowance. The AFATDS program is intended to develop the data transmission, computer, communications, and data display capabilities to enable the rapid assignment of fire support assets, such as field artillery, helicopters, and missiles, against high priority battlefield targets.

This reduction is directed against the funds sought by the Army to enter into a full scale engineering development contract in fiscal year 1989. The Committee believes this funding request is premature since a critical AFATDS performance evaluation has been delayed for about one year, due to persistent development problems. New tests to determine AFATDS's readiness to enter full scale engineering development are not scheduled until the middle of fiscal year 1989, at the earliest. An additional period of congressional review of the test results, as required under past agreements between the Army and Congress, is likely to extend late into the fiscal year.

Aircraft modifications/product improvement programs.—As discussed in the introduction to the RDT&E section of this report, the Committee recommends approval of the \$90,400,000 budget request for the AH-64 Apache attack helicopter Multi-Stage Improvement Program [MSIP] and denies the \$40,897,000 sought for the UH-60 Blackhawk utility helicopter MSIP. The House allowance fully funds the UH-60 MSIP request and denies funds for the Apache MSIP.

DRAGON III medium antitank weapon bill language.—The Committee recommends bill language requiring the Army to provide

\$5,480,000, from within funds appropriated for RDT&E, to pay half of the fiscal year 1989 costs to continue development of the DRAGON III interim, medium antitank weapon with the Marine Corps.

RDT&E-related military construction.—As discussed in the RDT&E introduction, this year the Committee has recommended funding Army RDT&E-related construction projects in the Military Construction Appropriations Act, 1989, instead of in the regular defense appropriations act. Seven major construction projects and 392 minor construction projects requested in RDT&E programs are financed in this manner as a one-time, special funding mechanism, in view of increased flexibility in the military construction accounts this year. The projects to be financed in this manner are:

Kwajalein Atoll—Shoreline Protection.....	\$4,000,000
Maintenance and Repairs.....	2,000,000
White Sands Missile Range—Road Repairs.....	2,300,000
Dugway Proving Grounds—Sewer System Repairs.....	2,500,000
Aberdeen Proving Ground and Yuma Proving Ground—Building and Utility Maintenance and Repairs.....	5,200,000
Various locations—Asbestos Surveys/Removal.....	1,000,000
Environmental Projects.....	4,000,000

As a result, the Committee is able to recommend the following reductions to these Army RDT&E programs:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Kwajalein missile range.....	164,855	156,000	158,855	- 6,000
Real property maintenance—RDT&E.....	161,974	161,974	146,974	- 15,000
RDT&E—Minor construction (undistributed reduction).....	15,529	15,529		- 15,529

Classified programs.—The Committee made several adjustments to classified programs which are explained in the classified report annex:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Strategic programs, classified.....	80,108	77,108	70,108	- 10,000
Weapons/munitions advanced technology.....	39,440	39,440	59,440	+ 20,000
Grass blade.....	9,719	4,719	4,719	- 5,000
Weapons/munitions equipment upgrade.....	4,833	19,833	2,424	- 2,409

House actions not agreed to.—The Committee disagrees with the following recommendations contained in the House allowance:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Adjustment
Antitactical missile system.....	31,514	20,704	31,514.....	
Military engineering technology.....	46,975	40,000	46,975.....	
Logistics technology.....	42,064	38,000	42,064.....	
Landmine warfare and barrier ad- vanced technology.....	9,079	11,579	9,079.....	
Battery technology.....		1,144		
Common integrated electronic warfare.....		2,000		
Physical security.....	2,794		2,794.....	
Night vision systems.....	16,588	19,588	16,588.....	
Physical security.....	3,755		3,755.....	
Air defense command, control and intelligence/engineering development.....	98,291	93,000	98,291.....	
Weapons and munitions.....	132,595	157,595	132,595.....	
Chemical systems.....	37,649	30,000	37,649.....	
Air defense C2I mods.....	8,661		8,661.....	
ITV Hellfire modernization.....		6,000		
TACJAM No. 2.....		11,000		
Close air support.....		10,000		
Guard/Reserve unique R&D.....		5,000		

[in thousands of dollars]

	Budget estimate (1)	House allowance (2)	Committee recom- mendation (3)	Senate compared to—	
				Budget estimate (4)	House allowance (5)
RESEARCH DEVELOPMENT TEST & EVAL ARMY					
TECHNOLOGY BASE					
DEFENSE RESEARCH SCIENCES.....	173,505	173,505	173,505	---	---
MATERIALS TECHNOLOGY.....	12,963	12,963	11,038	-1,925	-1,925
ELECTRONIC SURVIVABILITY AND FUZING TECHNOLOGY.....	40,895	40,895	37,398	-3,497	-3,497
MISSILE TECHNOLOGY.....	25,741	25,741	21,828	-3,913	-3,913
LASER WEAPONS TECHNOLOGY.....	6,366	6,366	6,366	---	---
COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY.....	22,293	22,293	22,293	---	---
BALLISTICS TECHNOLOGY.....	27,321	27,321	27,321	---	---
CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY....	41,501	41,501	41,501	---	---
JOINT SERVICE SMALL ARMS PROGRAM.....	14,136	14,136	14,136	---	---
WEAPONS AND MUNITIONS TECHNOLOGY.....	31,213	31,213	31,213	---	---
ELECTRONICS AND ELECTRONIC DEVICES.....	21,761	21,761	21,761	---	---
NIGHT VISION TECHNOLOGY.....	22,825	22,825	25,325	+2,500	+2,500
HUMAN FACTORS ENGINEERING TECHNOLOGY.....	15,003	15,003	15,003	---	---
ENVIRONMENTAL QUALITY TECHNOLOGY.....	9,542	9,542	9,542	---	---
NON-SYSTEM TRAINING DEVICE TECHNOLOGY.....	3,429	3,429	3,429	---	---
MILITARY DISEASE HAZARDS TECHNOLOGY.....	48,282	48,282	48,282	---	---
COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY.....	12,578	12,578	12,578	---	---
COMPUTER AND SOFTWARE TECHNOLOGY.....	6,454	6,454	6,454	---	---
MILITARY ENGINEERING TECHNOLOGY.....	46,975	40,000	46,975	---	+6,975
MANPOWER/PERSONNEL/TRAINING TECHNOLOGY.....	17,865	17,865	16,018	-1,847	-1,847
LOGISTICS TECHNOLOGY.....	42,064	38,000	42,064	---	+4,064
MEDICAL TECHNOLOGY.....	57,777	57,777	57,777	---	---
CLASSIFIED PROGRAMS.....	51,476	51,476	51,476	---	---
TOTAL, TECHNOLOGY BASE.....	751,965	740,926	743,283	-8,682	+2,357
ADVANCE TECHNOLOGY DEVELOPMENT					
LOGISTICS ADVANCED TECHNOLOGY.....	9,959	9,959	9,959	---	---
MEDICAL ADVANCED TECHNOLOGY.....	34,496	34,496	34,496	---	---
AVIATION ADVANCED TECHNOLOGY.....	35,310	35,310	35,310	---	---
WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY.....	39,440	39,440	59,440	+20,000	+20,000
COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY....	46,251	46,251	46,251	---	---
COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY..	7,725	7,725	7,725	---	---
HUMAN FACTORS/PERSONNEL/TRAINING ADVANCED TECHNOLOGY..	30,544	30,544	29,544	-1,000	-1,000
MATERIALS AND STRUCTURES ADVANCED TECHNOLOGY.....	6,936	6,936	6,936	---	---
ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) RESEARCH...	8,823	8,823	27,000	+18,177	+18,177
MISSILE AND ROCKET ADVANCED TECHNOLOGY.....	13,587	13,587	13,587	---	---
DIRECTED ENERGY.....	7,787	7,787	7,787	---	---
ARMY DEVELOPMENT AND EMPLOYMENT AGENCY.....	1,988	4,988	---	-1,988	-4,988
LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY.....	9,079	11,579	9,079	---	-2,500
JOINT SERVICE SMALL ARMS PROGRAM.....	9,564	9,564	9,564	---	---
NIGHT VISION ADVANCED TECHNOLOGY.....	23,669	23,669	23,669	---	---
MILITARY ENGINEERING ADVANCED TECHNOLOGY.....	2,338	2,338	2,338	---	---
ADVANCED ELECTRONIC DEVICES.....	5,228	5,228	5,228	---	---
ARMY BATTLEFIELD TECHNOLOGY INTEGRATION.....	9,601	9,601	7,434	-2,167	-2,167
CHEMICAL BIOLOGICAL DEFENSE AND SMOKE ADVANCED TECHNOL	3,450	3,450	3,450	---	---
ADVANCED TACTICAL COMPUTER SCIENCE TECHNOLOGY.....	6,501	6,501	6,501	---	---
ADV SPECIAL OPERATIONS RESEARCH, DEVELOP/ACQ.....	14,228	14,228	14,228	---	---
ELECTRONIC WARFARE ADV, TECH, DEV.....	---	---	(4,000)	(+4,000)	(+4,000)
ELECTRONIC WARFARE - ENG, DEV.....	---	---	(2,000)	(+2,000)	(+2,000)
BATTERY TECHNOLOGY.....	---	1,144	---	---	-1,144
COMMON INTEGRATED ELECTRONIC WARFARE SYSTEM.....	---	2,000	---	---	-2,000
TACMAN #1.....	---	---	---	---	---
CLASSIFIED PROGRAMS.....	47,853	47,853	47,853	---	---
TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT.....	374,357	383,001	413,379	+39,022	+30,378

[in thousands of dollars]

	Budget estimate (1)	House allowance (2)	Committee recom- mendation (3)	Senate compared to—	
				Budget estimate (4)	House allowance (5)
STRATEGIC PROGRAMS					
CLASSIFIED PROGRAMS.....	80,108	77,108	70,108	-10,000	-7,000
TACTICAL PROGRAMS					
ANTITACTICAL MISSILE SYSTEM.....	31,514	20,704	31,514	---	+10,810
SURFACE-TO-SURFACE MISSILE ROCKET SYSTEM.....	36,191	36,191	36,191	---	---
ADVANCED ANTI-TANK WEAPON SYSTEM.....	21,763	11,013	51,763	+30,000	+40,750
HYPERVELOCITY MISSILE.....	---	40,000	---	---	-40,000
LANDMINE WARFARE AND BARRIER - ADV DEV.....	12,496	12,496	12,496	---	---
SMOKE AND EQUIPMENT DEFEATING SYSTEMS - ADV DEV.....	4,999	4,999	4,999	---	---
EVOLUTIONARY SURFACE-TO-AIR MISSILE - ADV DEV.....	3,053	3,053	---	-3,053	-3,053
ARMORED FAMILY OF VEHICLES - ADVANCED DEVELOPMENT.....	997	997	---	-997	-997
PHYSICAL SECURITY.....	2,794	---	2,794	---	+2,794
IDENTIFICATION-FRIEND-OR-FOE - ADV DEV.....	14,811	14,811	14,811	---	---
ARMY DATA DISTRIBUTION SYSTEM.....	19,950	19,950	19,950	---	---
NON-SYSTEM TRAINING DEVICES - ADV DEV.....	860	860	860	---	---
AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE (C2I) -	---	---	---	---	---
SOLDIER SUPPORT AND SURVIVABILITY.....	3,430	3,430	3,430	---	---
MEDICAL DEFENSE AGAINST CHEMICAL WARFARE.....	17,440	17,440	17,440	---	---
FORWARD AREA AIR DEFENSE (FAAD) SYSTEM.....	164,212	194,212	184,212	+20,000	-10,000
SPECIAL OPERATIONS FORCES EQUIPMENT - ADV DEV.....	---	---	---	---	---
NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT.....	3,923	3,923	3,923	---	---
LIGHT ARMORED VEHICLE/WEASEL EVALUATION.....	---	---	---	---	---
AIRBORNE ADVERSE WEATHER WEAPONS SYSTEM.....	87,120	87,120	87,120	---	---
FOLLOW-ON LANCE - ADV DEV.....	14,962	4,962	7,481	-7,481	+2,519
AVIATION - ADV DEV.....	4,349	4,349	4,349	---	---
WEAPONS AND MUNITIONS - ADV DEV.....	12,283	12,283	12,283	---	---
CHEMICAL SYSTEMS - ADV DEV.....	---	---	---	---	---
LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV.....	12,901	12,901	12,901	---	---
COMBAT SERVICE SUPPORT COMPUTER SYSTEM EVALUATION.....	1,422	1,422	1,422	---	---
CHEMICAL/BIOLOGICAL DEFENSE EQUIPMENT - ADV DEV.....	7,360	7,360	7,360	---	---
MEDICAL SYSTEMS - ADV DEV.....	18,879	18,879	18,879	---	---
AIRCRAFT WEAPONS.....	4,461	4,461	4,461	---	---
AIRCRAFT PROPULSION SYSTEM.....	55,798	55,798	55,798	---	---
LIGHT ARMED SCOUT HELICOPTER.....	124,687	124,687	124,687	---	---
HELICOPTER MODERNIZATION PROGRAM.....	---	---	---	---	---
STINGER.....	---	---	---	---	---
HELBORNE MISSILE - HELLFIRE.....	---	---	---	---	---
GRASS BLADE.....	9,719	4,719	4,719	-5,000	---
ARMY TACTICAL MISSILE SYSTEM (ARMY TACMS).....	84,437	81,437	55,737	-28,700	-25,700
ARMY TACTICAL MISSILE SYSTEM BLOCK II UPGRADE.....	---	---	10,000	+10,000	+10,000
MEDIUM TACTICAL VEHICLES.....	24,947	24,947	24,947	---	---
SMOKE AND EQUIPMENT DEFEATING SYSTEMS - ENG DEV.....	8,379	8,379	8,379	---	---
ADVANCED ANTI-TANK WEAPON SYSTEM - ENG DEV.....	110,509	110,509	110,509	---	---
FAMILY OF HEAVY TACTICAL VEHICLES.....	28,825	28,825	28,825	---	---
M1A1 DEVELOPMENT PROGRAM.....	---	---	30,000	+30,000	+30,000
JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM.....	---	---	---	---	---
IDENTIFICATION-FRIEND-OR-FOE - ENG DEV.....	25,812	25,812	25,812	---	---
NIGHT VISION SYSTEMS - ENG DEV.....	16,588	19,588	16,588	---	-3,000
COMBAT FEEDING, CLOTHING, AND EQUIPMENT.....	2,418	2,418	2,418	---	---
NON-SYSTEM TRAINING DEVICES - ENG DEV.....	19,790	19,790	19,790	---	---
PHYSICAL SECURITY.....	3,755	---	3,755	---	+3,755
EDUCATION AND TRAINING SYSTEMS DEVELOPMENT.....	6,872	6,872	6,872	---	---
SPECIAL PURPOSE DETECTORS.....	483	483	483	---	---
METEOROLOGICAL EQUIPMENT AND SYSTEMS.....	1,611	1,611	1,611	---	---
AIR DEFENSE COMMAND, CONTROL AND INTELL/ENG DEV.....	98,291	93,000	98,291	---	+5,291
AUTOMATIC TEST EQUIPMENT DEVELOPMENT.....	9,374	9,374	9,374	---	---
MEDICAL CHEMICAL DEFENSE LIFE SUPPORT MATERIAL.....	6,258	6,258	6,258	---	---
JT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM.....	19,182	19,182	23,782	+4,600	+4,600
JT INTEROPERABILITY OF TACTICAL COMMAND & CONTROL SYS.	17,784	17,784	17,784	---	---
AVIATION - ENG DEV.....	11,029	11,029	11,029	---	---
WEAPONS AND MUNITIONS - ENG DEV.....	132,595	157,595	132,595	---	-25,000

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
CHEMICAL SYSTEMS - ENG DEV.....	37,649	30,800	37,649	---	47,649
LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV.....	13,577	13,577	13,577	---	---
COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV....	10,311	10,311	10,311	---	---
CHEMICAL/BIOLOGICAL DEFENSE EQUIPMENT - ENG DEV.....	13,262	13,262	13,262	---	---
MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT..	13,825	13,825	13,825	---	---
LANDMINE WARFARE/BARRIER - ENG DEV.....	14,839	14,839	14,839	---	---
JOINT C3 POINT OF CONTACT, TEST AND ASSESSMENT.....	5,967	5,967	5,967	---	---
ADV FIELD ARTILLERY TACTICAL DATA SYSTEM.....	17,717	17,717	12,717	-5,000	-5,000
COMBAT VEHICLE IMPROVEMENT PROGRAMS.....	82,837	97,837	96,737	+13,900	-1,100
AIR DEFENSE C21 MODS.....	8,661	---	8,661	---	+8,661
MANEUVER CONTROL SYSTEM.....	11,972	11,972	11,972	---	---
155MM SELF-PROPELLED HOWITZER IMPROVEMENTS.....	19,944	24,444	24,444	+4,500	---
AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS...	135,460	40,897	94,563	-40,897	+53,666
WEAPONS AND MUNITIONS EQUIPMENT UPGRADE PROGRAM.....	4,833	19,833	2,424	-2,409	-17,409
SPECIAL OPERATIONS FORCES EQUIPMENT.....	---	---	---	---	---
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM.....	11,914	5,714	5,714	-6,200	---
MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM.....	39,009	39,009	39,009	---	---
OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS.....	30,803	39,603	39,603	+8,800	---
JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC).....	13,891	13,891	13,891	---	---
EUCOM C3 SYSTEMS.....	634	634	634	---	---
CONSOLIDATED EW PROGRAMS.....	---	---	---	---	---
FORCE ENHANCEMENTS-ACTIVE.....	118,408	118,408	118,408	---	---
CLASSIFIED PROJECT.....	---	---	---	---	---
ITV HELLFIRE MODERNIZATION.....	---	6,000	---	---	-6,000
UNDISTRIBUTED REDUCTION, TACTICAL PROGRAMS.....	---	---	---	---	---
TACJAM #2.....	---	11,000	---	---	-11,000
CLOSE AIR SUPPORT.....	---	10,000	---	---	-10,000
CLASSIFIED PROGRAMS.....	726,289	712,389	726,289	---	+13,900
TOTAL, TACTICAL PROGRAMS.....	2,653,115	2,639,042	2,675,178	+22,063	+36,136
=====					
INTELLIGENCE & COMMUNICATIONS					
MAPPING AND GEODESY - ENG DEV.....	6,488	6,488	6,488	---	---
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)....	8,803	8,803	8,803	---	---
SATCOM GROUND ENVIRONMENT.....	26,698	26,698	26,698	---	---
COMMUNICATIONS SECURITY (COMSEC).....	5,126	5,126	5,126	---	---
CLASSIFIED PROGRAMS.....	5,288	4,092	5,288	---	+1,196
TOTAL, INTELLIGENCE & COMMUNICATIONS.....	52,403	51,207	52,403	---	+1,196
=====					
DEFENSEWIDE MISSION SUPPORT					
KWAJALEIN MISSILE RANGE.....	164,855	156,000	158,855	-6,000	+2,855
ARMY TEST RANGES AND FACILITIES.....	191,016	191,016	191,016	---	---
ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS.....	60,110	60,110	60,110	---	---
ARMY USER TEST INSTRUMENTATION AND THREAT SIMULATORS..	63,936	103,736	43,936	-20,000	-59,800
METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES.....	18,888	18,888	18,888	---	---
MATERIEL SYSTEMS ANALYSIS.....	23,783	23,783	23,783	---	---
EXPLOITATION OF FOREIGN ITEMS.....	4,360	4,360	4,360	---	---
SUPPORT OF OPERATIONAL TESTING.....	51,349	51,349	51,349	---	---
PROGRAMWIDE ACTIVITIES.....	83,155	83,155	83,155	---	---
INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT...	1,136	1,136	136	-1,000	-1,000
TECHNICAL INFORMATION ACTIVITIES.....	5,803	5,803	5,803	---	---
MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY...	12,981	12,981	12,981	---	---
RDT&E SUPPORT FOR NONDEVELOPMENTAL ITEMS.....	8,283	8,283	8,283	---	---
PRODUCTIVITY INVESTMENTS.....	49,947	49,947	49,947	---	---
REAL PROPERTY MAINTENANCE - RDT&E.....	161,974	161,974	146,974	-15,000	-15,000
BASE OPERATIONS - RDT&E.....	183,708	183,708	183,708	---	---
MANAGEMENT HEADQUARTERS (R & D).....	13,616	10,600	9,936	-3,680	-664

[in thousands of dollars]

	Budget estimate (1)	House allowance (2)	Committee recom- mendation (3)	Senate compared to—	
				Budget estimate (4)	House allowance (5)
INDUSTRIAL PREPAREDNESS.....	19,852	19,852	19,852	---	---
RDTE - MINOR CONSTRUCTION UNDISTRIBUTED REDUCTION....	---	---	-15,529	-15,529	-15,529
TOTAL, DEFENSEWIDE MISSION SUPPORT.....	1,118,752	1,146,681	1,057,543	-61,209	-89,138
=====					
GUARD/RESERVE UNIQUE R&D.....	---	5,000	---	---	-5,000
STINGER SYSTEM SAFEGUARD.....	---	---	---	---	---
CHEMICAL MASK IMPROVED DRINKING SYS.....	---	---	---	---	---
MULTIPURPOSE INDIVIDUAL MUNITION EVALUATION.....	---	---	---	---	---
RIFLE LAUNCHED ANTI-TANK ROUND EVALUATION.....	---	---	---	---	---
GENERAL REDUCTION, SPECIAL ACCESS.....	---	---	---	---	---
FERS Adjustment.....	---	---	---	---	---
MAXI CUBE CARGO HANDLING SYSTEM.....	---	---	---	---	---
MILSTAR TRANSFER.....	---	---	---	---	---
CHEMICAL WEAPONS CONVENTION COMPLIANCE.....	---	---	---	---	---
UNDISTRIBUTED REDUCTION.....	---	---	---	---	---
=====					
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL ARMY.....	5,030,700	5,042,965	5,011,894	-19,806	-31,071

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

1988 appropriation	\$9,493,546,000
1989 budget estimate	9,216,200,000
House allowance	9,136,405,000
Committee recommendation	9,291,614,000

The Committee recommends an appropriation of \$9,291,614,000 for the Navy's research, development, test, and evaluation programs, an increase of \$75,414,000 to the budget request. The Committee recommendation is \$155,209,000 above the House allowance.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Technology base	772,639	785,639	770,309	- 2,330
Advanced technology develop- ment	204,024	199,693	209,024	+ 5,000
Strategic programs	781,011	753,698	781,011	.....
Tactical programs	5,992,440	5,903,630	6,094,813	+ 102,373
Intelligence and communications ..	751,713	779,102	750,213	- 1,500
Defensewide mission support	714,373	714,373	686,244	- 28,129

The budget activities and programs funded under this appropriation are discussed below.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments to the budget based on authorization actions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Electronic warfare simulator de- velopment	38,751	38,751	18,751	- 20,000

HOUSE ADJUSTMENTS

The Committee concurs with the following House adjustments:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Submarine combat system	382,534	375,734	375,734	- 6,800
IFF system development	25,234	16,026	16,026	- 9,208
Bomb fuze improvements	1,590	9,990	9,990	+ 8,400
Management and technical sup- port	9,357	7,280	7,280	- 2,077

MAJOR PROGRAM ADJUSTMENTS AND SPECIAL INTEREST ITEMS

The Committee recommends the following additional adjustments to the budget request, along with recommendations and observations about several special interest items:

Aircraft technology; electronic warfare development.—The Committee recommends an appropriation of \$21,636,000, a net reduction of \$832,000 to the budget request and an equal amount below the House allowance for the Aircraft Technology Program. This net reduction results from a reduction of \$3,732,000 to the program, and an increase of \$2,900,000. The Committee also recommends \$189,614,000, a reduction of \$200,000 to the budget request and an equal amount below the House allowance, for the Electronic Warfare Development Program.

Both reductions are associated with the Committee's continuing concern about costly duplication among the Defense Department's programs to develop remotely piloted vehicles [RPV's] and their sensors. The recommended addition for aircraft technology is for industrially funded activities discussed later in this report section.

Last year, in its report on the Department of Defense Appropriations Act, 1988, the Committee expressed concern about RPV program duplication. It eliminated separate funding in each of the services for RPV programs and consolidated these efforts in a joint RPV program under OSD management. This year's recommendations reinforce these initiatives.

The reduction in aircraft technology denies funds for high altitude long endurance [HALE] RPV research, which should be accomplished through the joint RPV program in OSD if the RPV master plan demonstrates the effort is justified. The reduction in electronic warfare development eliminates funds for the Exdrone project, which also should be funded in the joint RPV program if justified adequately in the master plan.

Skipper enhancements.—The Committee recommends an appropriation of \$11,190,000, an increase of \$10,000,000 to the budget request and \$4,800,000 below the House allowance for this program. The additional funds are recommended for continued development and completion of proof of principle for the fiber-optic guided Skipper weapon.

Marine Corps advanced manpower training systems.—The Committee recommends an appropriation of \$3,106,000, a reduction of \$2,000,000 to the budget request and \$1,000,000 below the House allowance, to reduce the amount of real growth in this program.

Ship development.—The Committee recommends an appropriation of \$5,086,000 to deny the excessive real growth rate (163 percent) requested in this program for studies on future warships, since ships now entering the fleet and on the drawing boards may well be in service for the next 35 years. The Committee recommendation is \$5,800,000 below the budget request and the House allowance. The Committee expects that none of the reduction will be applied against the Arctic hovercraft and low observable ship projects.

Warfare systems architecture.—The Committee recommends an appropriation of \$10,124,000 to deny the excessive real growth rate requested for this program, which essentially embodies management and planning activities. The Committee recommendation is \$1,101,000 below the budget request and \$48,000 below the House allowance, but it provides sufficient funds to protect the program from the effects of inflation.

Catapults.—The Committee recommends an appropriation of \$7,997,000, the budget request and the same amount as the House allowance, for this program to improve the catapults and other equipment required to safely launch and recover carrier-based aircraft. Of the funds recommended, the Committee requires that \$3,500,000 shall be available only to continue accelerated development and testing of a full-scale electromagnetic catapult prototype.

The Committee has been impressed with the potential of electromagnetic catapult technology to save significant shipboard weight and space compared with conventional steam catapults now in service. Last year, the Committee requested submission of a complete development and testing schedule which the Navy has yet to submit. Accordingly, the Committee also requires that none of the remaining funds provided for this program in fiscal year 1989 may be obligated or expended until the Navy fulfills last year's Committee reporting request.

In-house independent laboratory research.—The Committee recommends an appropriation of \$21,386,000, a reduction of \$2,377,000 to the budget request and the same amount below the House allowance for this discretionary funding to permit Defense Department laboratory directors to sponsor creative, independent research to strengthen the internal capabilities of their organizations. The reduction returns program funding to the fiscal year 1987 level pending the long-delayed resolution of issues raised by the Department of Defense inspector general, who has questioned the degree to which program objectives were achievable within current policy guidance.

Defense research sciences.—The Committee recommends an appropriation of \$330,568,000, a reduction of \$2,021,000 to the budget request and the same amount below the House allowance for these naval technology base activities. The recommendation, which eliminates real growth in this level of effort program but provides an increase for inflation, consists of the \$2,421,000 real growth reduction and a \$400,000 increase associated with industrially funded activities discussed later in this report. The Committee requires that none of the reduction be applied against any oceanographic research programs.

Generic logistics research and development technology demonstrations.—The Committee recommends an appropriation of \$26,865,000, an increase of \$7,000,000 above the Navy's budget request. The Committee increase utilizes excess funds transferred from another program to expand efforts to increase efficiency in the rapid acquisition of manufactured parts [RAMP]. RAMP applies advanced computer integrated manufacturing technology to reduce cost and production lead time in

manufacturing small batches of parts not available from commercial sources.

The Committee continues its strong support for the RAMP project, endorses the completion of the current, step II contractual effort, and understands that the additional funds being provided will be spent to support this effort in fiscal year 1989. The Committee's recommendation is \$11,200,000 above the House allowance, which reduced the budget request by \$4,200,000.

Surface ship point defense integration.—The Committee recommends an addition of \$4,000,000 to the budget request to initiate a program to rapidly prototype an integrated and coordinated surface ship anti-air warfare [AAW] system and to permit the Navy to consider the role of active array radars in future shipboard AAW systems.

Surface antisubmarine warfare [ASW].—The Committee recommends an appropriation of \$55,569,000, a reduction of \$17,181,000 to the Navy's budget request and the same amount below the House allowance for this program to upgrade the AN/SQQ-89 ASW combat system for frigates and carrier battle group escorts. This reduction defers the block IV enhancements to the AN/SQQ-89. The Committee views the budget request for block IV as premature pending further progress on blocks I, II, and III. Blocks I and II will not be ready for full-scale development for another 1½ years, and block III does not finish the concept definition phase for 3 years.

Satellite laser communication.—The Committee recommends an appropriation of \$25,269,000, an increase of \$20,000,000 above the Navy's budget request, and \$10,269,000 above the House allowance, to continue development of a more survivable, effective communications link to strategic and tactical submarines.

Sea Lance and vertical launch antisubmarine rocket [VLA/ASROC].—The Committee supports the Navy decision to terminate the vertical launch ASROC for surface ships and develop a common standoff antisubmarine warfare weapon based on the Sea Lance submarine-launched ASW rocket. Accordingly, the Committee recommends transfer of the \$30,287,000 requested for VLA/ASROC into the Sea Lance Program, and approval of the \$50,000,000 sought for Sea Lance, to support the common standoff ASW weapon for both submarines and surface ships. Considering likely budget constraints, the Committee believes it is prudent to eliminate the duplication between these two programs in this manner. The Committee's recommendation of \$80,287,000 for the consolidated Sea Lance Program is \$15,287,000 above the House allowance for Sea Lance and \$30,287,000 below the House allowance for VLA/ASROC. Given the relatively short time period between the initial operating capabilities of the common standoff ASW weapon and the VLA/ASROC, and the increased capabilities inherent in the Sea Lance compared with the VLA/ASROC, the Committee does not believe that the costs of continuing duplicative programs by funding VLA/ASROC are warranted.

SSN-21 developments.—The Committee recommends an appropriation of \$189,800,000, a reduction of \$5,280,000 below the Navy's budget request and \$200,000 below the House allowance for the next-generation nuclear-powered attack submarine. The Committee concurs with the House-recommended reduction of \$5,080,000 and also is recommending a \$200,000 reduction for an SSN-21-related minor construction project (LM 2500 gear and waterbreak at Naval Ship Systems Engineering Station, Philadelphia, PA) funded in the Committee's Military Construction Appropriations Act, 1989 and explained elsewhere in this report.

Marine Corps ground combat/supporting arms systems.—The Committee recommends an appropriation of \$38,370,000, a reduction of \$5,480,000 to the Navy's budget request and \$5,481,000 above the House allowance. The Committee action denies one-half of the requested funds for continued development by the Marine Corps of the Dragon III medium antitank weapon.

Consistent with its other initiatives to reduce duplication among RDT&E programs, the Committee is recommending bill language requiring the Army to provide the \$5,840,000 to pay one-half of the fiscal year 1989 costs for Dragon III development, to encourage a joint program with the Marine Corps for an interim antiarmor weapon until the fielding of AAWS-M.

The Committee also requires that the Marine Corps address their expected shortage in Dragon rounds for training purposes by acquiring and upgrading to Dragon II configuration the approximately 8,000 basic Dragon weapons now in storage. The Committee expects that the Marine Corps will include funds in its fiscal 1990 budget request for this purpose.

The House allowance deleted the entire Dragon III budget request of \$10,961,000 to terminate the program.

Navy advanced tactical fighter [ATF].—The Committee recommends an appropriation of \$65,000,000, an increase of the same amount to the budget request and \$50,000,000 above the House allowance, to permit initiation of development work to incorporate Navy-unique features into the Air Force ATF to permit consideration of the Navy ATF as a successor to the F-14 carrier-based fighter/interceptor. The funds for this increase were transferred from the procurement accounts and the Committee has been informed that the transfer is supported by the Navy, Air Force, and the Office of the Secretary of Defense.

Naval Oceanography Program.—The Committee recommends an appropriation of \$3,000,000, an increase to the budget request and the same amount above the House allowance, to sustain this ongoing oceanographic program with important ASW contributions.

Oceanographic instrumentation activities.—The Committee recommends an increase of \$2,000,000 to the budget request and the same amount above the House allowance for oceanographic instrumentation activities at the Woods Hole Oceanographic Institution, based on authorization action.

International RDT&E.—The Committee recommends an appropriation of \$1,248,000, a reduction of \$2,445,000 to the Navy's budget request and the same amount below the House allowance, to eliminate redundant activities also funded in other Defense Department programs. As the Committee specified in its fiscal year 1988 report, when it took a similar action, the reduction should not be allocated against any funding for the NATO Antisubmarine Warfare Center in La Spezia, Italy.

Industrial preparedness.—The Committee notes the efforts of the Navy Manufacturing Technology Program and its advanced manufacturing research facility, cosponsored by the National Bureau of Standards. This facility conducts research on the latest manufacturing processes and equipment. The Committee recommends that the Navy investigate the potential for the establishment of a regional teaching factory—based upon the technology developments of the advanced manufacturing research facility—to be located at a comprehensive university emphasizing technology transfer and economic development initiatives and programs. The proposed teaching factory would provide technology enhancement to an economically depressed area and also serve as a pilot model for possible future initiatives. The Navy is requested to report to the Committee concerning this investigation with the submission of the fiscal year 1990 budget request.

Lightweight shipboard generator sets.—The Committee continues to believe that the development of a smaller, lightweight generator set for surface ships and submarines would result in substantial long-term savings for the Navy. The Committee encourages the Navy to continue the program to develop engine technology for shipboard generator sets.

Classified programs.—The Committee made several adjustments to classified programs which are discussed in the classified report annex:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Intelligence and communications ..	571,595	608,984	570,095	- 1,500
Joint advanced systems	236,620	209,020	252,020	+ 15,400
Retract Maple.....	81,697	81,697	111,697	+ 30,000

RDT&E-related military construction.—As discussed in the RDT&E introduction, this year the Committee has recommended funding Navy RDT&E-related construction projects in the Military Construction Appropriations Act, 1989, instead of in the regular Defense Appropriations Act. Eight major construction and various minor construction projects requested in RDT&E programs are financed in this manner as a one-time, special funding mechanism, in view of the increased flexibility in the military construction accounts this year. The projects to be financed in this manner are:

Trenton, NY—Automation and motor speed control.....	\$3,400,000
Philadelphia, PA—Naval Ship Engineering Command improved performance submarine propulsion system.....	1,800,000
Naval ship systems engineering station:	
LM2500 gear and waterbreak.....	2,000,000
Distributive systems.....	2,000,000
Electric power distribution.....	2,000,000
Electric power generation.....	4,000,000
Control system.....	5,000,000
Memphis, TN—CBI facility, large cavitation channel.....	16,000,000
RDT&E-related minor construction.....	5,200,000

As a result, the Committee is able to recommend reductions to the following Navy RDT&E programs:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Test and evaluation support.....	325,365	325,365	320,100	- 5,265
SSN-21 development.....	195,080	190,000	194,880	- 200
Ship subsystem development/ land based test site.....	58,667	58,667	57,367	- 1,300
RDT&E instrumentation.....	29,915	29,915	8,896	- 21,019

Navy industrially funded activities adjustments recommended.—The Committee recommends several adjustments to restore funds to separate program elements and specific projects to finance the operations of three Navy aviation engineering centers (Lakehurst, NJ; Indianapolis, IN; Port Hueneme, CA). The Navy originally proposed funding these centers through a consolidated appropriation mechanism which was denied by the authorization committees. These restorations are required to provide adequate funding to these activities, and are:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Marine Corps landing force technology.....	15,223	15,223	15,623	+ 400
Mission support technology.....	29,055	29,055	31,155	+ 2,100
Systems support technology.....	57,474	60,474	57,874	+ 400
ASW signal processing.....	13,536	13,536	15,636	+ 2,100
(W0490) Beartrap.....	(5,874)	(5,874)	(7,974)	(+ 2,100)
Physical security (S0812).....	6,345	6,345	7,145	+ 800
Facilities improvement.....	4,037	4,037	7,737	+ 3,700
(Y0995) Naval facilities system.....	(1,282)	(1,282)	(3,382)	(+ 2,100)
(Y1316) Improved methods/materials.....	(1,450)	(1,450)	(2,250)	(+ 800)
(Y1606) Naval construction forces technology/tools.....	(1,305)	(1,305)	(2,105)	(+ 800)
Standard avionics development.....	12,122	17,122	12,822	+ 700
(W0572) Joint services/Navy standard avionics components.....	(8,259)	(8,259)	(8,959)	(+ 700)
Support equipment.....	68,979	68,979	70,779	+ 1,800
(W0852) Consolidated automated support system.....	(65,782)	(65,782)	(67,582)	(+ 1,800)

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Air control.....	18,028	18,028	19,428	+ 1,400
(W1680) Multimode receive.....	(12,988)	(12,988)	(14,388)	(+ 1,400)
Physical security (S1769) nuclear weapons security	12,086		12,686	+ 600
Initial trainer acquisition	56,749		61,649	+ 4,900
(W1944) F-14D trainer.....	(23,784)		(28,684)	(+ 4,900)
Marine Corps services support	22,390	22,390	22,790	+ 400
(C70079) Combat services support engineering.....	(360)	(360)	(760)	(+ 400)
F-14 upgrade (W1408)	151,904	134,000	154,504	+ 2,600
Environmental protection.....	5,814	5,814	6,214	+ 400
(Y0817) Pollution abatement ashore.....	(965)	(965)	(1,365)	(+ 400)
Industrial preparedness—(R1050) Mantech.....	43,482	43,482	43,682	+ 200

House actions not agreed to.—The Committee disagrees with the following recommendations contained in the House allowance:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Systems support technology	57,474	60,474	57,474	
ASW technology	92,041	102,041	92,041	
Ship propulsion system	14,842	12,000	14,842	
Medical development.....	18,808	21,108	18,608	
Manpower and personnel systems...	3,976	3,230	3,976	
Education and training	6,153	6,153	5,380	
Advanced tech transition.....	57,170	60,170	57,170	
Trident II.....	580,889	560,889	580,889	
Fleet ballistic missile.....	38,733	31,420	38,733	
V-22A		5,000		
Advanced A/L air-to-surface mis- sile system	22,581	38,481	22,581	
Advanced air-to-air missile	30,374		30,374	
Retract Juniper	37,722	41,722	37,722	
Attack submarine development.....	13,640		13,640	
Physical security	6,345		6,345	
Tactical nuclear development.....	10,405	6,035	10,045	
Marine Corps ground combat/ support system	6,658	4,131	6,658	
MK 48 ADCAP (advanced).....		27,682		
Advanced marine biological sys- tem	5,819	6,300	5,819	
Command and control systems.....	27,504	37,504	27,504	
Standard avionics development.....	12,122	17,122	12,122	
P-3 modernization	204,820	199,720	204,820	
Radar surveillance equipment.....	6,124	10,124	6,124	
Physical security	12,086		12,086	
Standard embedded computer resources.....	13,193	7,829	13,193	
Unguided conventional air launched munitions.....	2,019		2,019	
Marine Corps assault vehicles.....	20,025	30,025	20,025	
MK 48 ADCAP (engineering)	27,682		27,682	

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Initial trainer acquisition	56,749		56,749	
Joint interoperability of tactical command/control system	265		265	
Fleet telecommunications	2,533	5,533	2,533	
Navy cover and detection		1,000		
F-14 upgrade	151,904	134,000	151,904	
Force enhancements/active	19,731	29,131	19,731	
Warfare support system	33,285	23,285	33,285	
Total, RDT&E, Navy	9,216,200	9,136,405	9,283,893	- 67,693

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
RESEARCH DEVELOPMENT TEST & EVAL NAVY					
TECHNOLOGY BASE					
IN-HOUSE INDEPENDENT LABORATORY RESEARCH.....	23,763	23,763	21,386	-2,377	-2,377
DEFENSE RESEARCH SCIENCES.....	332,989	332,989	330,968	-2,021	-2,021
ANTI-AIR WARFARE/ANTI-SURFACE WARFARE TECHNOLOGY.....	55,399	55,399	55,399	+	---
SURFACE SHIP TECHNOLOGY.....	13,284	13,284	13,284	---	---
AIRCRAFT TECHNOLOGY.....	22,468	22,468	21,636	-832	-832
MARINE CORPS LANDING FORCE TECHNOLOGY.....	15,223	15,223	15,623	+400	+400
COMMAND, CONTROL, AND COMMUNICATIONS TECHNOLOGY.....	13,950	13,950	13,950	---	---
MISSION SUPPORT TECHNOLOGY.....	29,055	29,055	31,155	+2,100	+2,100
SYSTEMS SUPPORT TECHNOLOGY.....	57,474	60,474	57,874	+400	-2,600
ASW TECHNOLOGY.....	92,041	102,041	92,041	---	-10,000
MINE AND SPECIAL WARFARE TECHNOLOGY.....	15,381	15,381	15,381	---	---
SUBMARINE TECHNOLOGY.....	14,514	14,514	14,514	---	---
NUCLEAR PROPULSION.....	44,423	44,423	44,423	---	---
OCEAN AND ATMOSPHERIC SUPPORT TECHNOLOGY.....	26,871	26,871	26,871	---	---
INDEPENDENT EXPLORATORY DEVELOPMENT.....	15,804	15,804	15,804	---	---
TOTAL, TECHNOLOGY BASE.....	772,639	785,639	770,309	-2,330	-15,330
ADVANCE TECHNOLOGY DEVELOPMENT					
AVIONICS.....	---	---	---	---	---
AIRCRAFT PROPULSION.....	7,158	7,158	7,158	---	---
ADVANCED AIRCRAFT SUBSYSTEMS.....	14,509	14,509	14,509	---	---
NAVAL AIRSHIP.....	---	---	---	---	---
EW TECHNOLOGY.....	12,197	12,197	12,197	---	---
ELECTROMAGNETIC RADIATION SOURCE ELIMINATION TECH.....	6,052	6,052	6,052	---	---
SHIP PROPULSION SYSTEM.....	14,842	12,000	14,842	---	+2,842
ELECTRIC DRIVE.....	14,041	14,041	14,041	---	---
HUMAN FACTORS ENGINEERING.....	2,454	2,454	2,454	---	---
MEDICAL DEVELOPMENT.....	18,608	21,108	18,608	---	-2,500
MANPOWER AND PERSONNEL SYSTEMS.....	3,976	3,230	3,976	---	+746
GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS.....	19,865	15,665	26,865	+7,000	+11,200
EDUCATION AND TRAINING.....	6,153	5,380	6,153	---	+773
MARINE CORPS ADVANCED MANPOWER/TRAINING SYSTEMS.....	5,106	4,106	3,106	-2,000	-1,000
SIMULATION AND TRAINING DEVICES.....	6,451	6,451	6,451	---	---
NAVY LOGISTIC PRODUCTIVITY.....	1,464	1,464	1,464	---	---
ARIADNE.....	11,541	11,541	11,541	---	---
ADVANCED ANTI-SUBMARINE WARFARE TECHNOLOGY.....	2,437	2,437	2,437	---	---
ADVANCED TECHNOLOGY TRANSITION.....	57,170	60,170	57,170	---	-3,000
TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT.....	204,024	199,963	209,024	+5,000	+9,061
STRATEGIC PROGRAMS					
TACTICAL SPACE OPERATIONS.....	5,538	5,538	5,538	---	---
SSBN SURVIVABILITY.....	9,732	9,732	9,732	---	---
NUMCCS ARCHITECTURE SUPPORT.....	4,874	4,874	4,874	---	---
TRIDENT II.....	580,889	560,889	580,889	---	+20,000
STRATEGIC TECHNICAL SUPPORT.....	3,240	3,240	3,240	---	---
FLEET BALLISTIC MISSILE SYSTEM.....	38,733	31,420	38,733	---	+7,313
SSBN SECURITY TECHNOLOGY PROGRAM.....	41,902	41,902	41,902	---	---
TRIDENT.....	33,483	33,483	33,483	---	---
EXTREMELY LOW FREQUENCY (ELF) COMMUNICATIONS.....	3,314	3,314	3,314	---	---
NAVY STRATEGIC COMMUNICATIONS.....	52,938	52,938	52,938	---	---
NAVAL SPACE SURVEILLANCE.....	696	696	696	---	---

[in thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
MINIMUM ESSENTIAL EMERGENCY COMMO NETWORK (NEECH).....	1,044	1,044	1,044	---	---
WORLD-WIDE MILITARY COMMAND/CONTROL SYS INFO SYS.....	4,628	4,628	4,628	---	---
TOTAL, STRATEGIC PROGRAMS.....	781,011	753,698	781,011	---	+27,313
TACTICAL PROGRAMS					
INTEGRATED AIRCRAFT AVIONICS.....	2,067	2,067	2,067	---	---
AIR/OCEAN TACTICAL APPLICATIONS.....	7,775	7,775	7,775	---	---
T-45 TRAINING SYSTEM.....	87,822	87,822	87,822	---	---
AVIATION LIFE SUPPORT SYSTEMS (ADV).....	8,333	8,333	8,333	---	---
SKIPPER ENHANCEMENTS.....	1,190	15,990	11,190	+10,000	-4,800
CV ASW MODULE.....	964	964	964	---	---
AIR ASW.....	8,960	8,960	8,960	---	---
V-22A.....	---	5,000	---	---	-5,000
A-6 UPGRADES.....	---	---	---	---	---
AIRBORNE MINE COUNTERMEASURES.....	12,148	12,148	12,148	---	---
TACTICAL AIRBORNE RECONNAISSANCE.....	8,278	8,278	8,278	---	---
AIRCRAFT SURVIVABILITY AND VULNERABILITY.....	11,619	11,619	11,619	---	---
ADVANCED A/L AIR-TO-SURFACE MISSILE SYSTEM.....	22,581	38,481	22,581	---	-15,900
ADVANCED SURFACE-TO-AIR MISSILE.....	100,714	100,714	100,714	---	---
NATO AAW SYSTEMS.....	8,068	8,068	8,068	---	---
LOW COST ANTI-RADIATION SEEKER.....	8,761	8,761	8,761	---	---
ADVANCED AIR-TO-AIR MISSILE (AAAM).....	30,374	---	30,374	---	+30,374
SURFACE SHIP POINT DEFENSE INTEGRATION.....	---	---	4,000	+4,000	+4,000
BATTLE GROUP AAW COORDINATION.....	8,592	8,592	8,592	---	---
SURFACE MINE COUNTERMEASURES.....	11,687	11,687	11,687	---	---
ADVANCED SUBMARINE ASW DEVELOPMENT.....	12,390	12,390	12,390	---	---
SURFACE SHIP TORPEDO DEFENSE.....	35,211	35,211	35,211	---	---
CATAFULTS.....	7,997	7,997	7,997	---	---
SHIPBOARD SYSTEM COMPONENT DEVELOPMENT.....	10,921	10,921	10,921	---	---
SHIP COMBAT SURVIVABILITY.....	28,301	28,301	28,301	---	---
SUBMARINE ARCTIC WARFARE SUPPORT EQUIPMENT PROGRAM....	3,373	3,373	3,373	---	---
PILOT FISH.....	59,851	59,851	59,851	---	---
NON-ACOUSTIC ANTI-SUBMARINE WARFARE (ASW).....	15,714	15,714	15,714	---	---
ADVANCED ASW TARGET.....	11,249	11,249	11,249	---	---
RETRACT JUMPER.....	37,722	41,722	37,722	---	-4,000
RADIOLOGICAL CONTROL.....	3,239	3,239	3,239	---	---
SURFACE ASW.....	72,750	72,750	55,569	-17,181	-17,181
SUBMARINE TACTICAL WARFARE SYSTEMS.....	6,235	6,235	6,235	---	---
SHIP DEVELOPMENT.....	10,886	10,886	5,086	-5,800	-5,800
ATTACK SUBMARINE DEVELOPMENT.....	13,640	---	13,640	---	+13,640
ADVANCED NUCLEAR REACTOR COMPONENTS/SYSTEMS DEV.....	85,000	85,000	85,000	---	---
PHYSICAL SECURITY.....	6,345	---	7,145	+800	+7,145
CHALK EAGLE.....	99,631	99,631	99,631	---	---
COMBAT SYSTEM INTEGRATION.....	10,320	10,320	10,320	---	---
JOINT ADVANCED SYSTEMS.....	236,620	209,020	252,020	+15,400	+43,000
MINE DEVELOPMENT.....	21,032	21,032	21,032	---	---
CONVENTIONAL MUNITIONS.....	21,617	21,617	21,617	---	---
MARINE CORPS ASSAULT VEHICLES.....	13,331	13,331	13,331	---	---
TACTICAL NUCLEAR DEVELOPMENT.....	10,405	6,035	10,405	---	+4,370
MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM.....	6,658	4,131	6,658	---	+2,527
JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT.....	11,833	11,833	11,833	---	---
MK-48 ADCAP (ADV).....	---	27,682	---	---	-27,682
OCEAN ENGINEERING SYSTEMS DEVELOPMENT.....	1,852	1,852	1,852	---	---
ASW OCEANOGRAPHY.....	9,272	9,272	9,272	---	---
ASW SIGNAL PROCESSING.....	13,536	13,536	15,636	+2,100	+2,100
ADVANCED MARINE BIOLOGICAL SYSTEM.....	5,819	6,300	5,819	---	-481
FLEET TACTICAL DEVELOPMENT AND EVALUATION PROGRAM.....	6,076	6,076	6,076	---	---
OCEAN ENGINEERING TECHNOLOGY DEVELOPMENTS.....	14,156	14,156	14,156	---	---
COMMAND AND CONTROL SYSTEMS.....	27,504	37,504	27,504	---	-10,000
CONTAINER OFF-LOADING AND TRANSFER SYSTEM (COTS).....	---	---	---	---	---
NAVAL SPECIAL WARFARE.....	---	---	---	---	---
NAVY ENERGY PROGRAM.....	8,573	8,573	8,573	---	---

(In thousands of dollars)

	Budget estimate (1)	House allowance (2)	Committee recom- mendation (3)	Senate compared to—	
				Budget estimate (4)	House allowance (5)
FACILITIES IMPROVEMENT.....	4,037	4,037	7,737	+3,700	+3,700
MARINE CORPS COMBAT SERVICES SUPPORT.....	15,486	15,486	15,486	---	---
CHALK CORAL.....	4,524	4,524	4,524	---	---
LINK HAZEL.....	6,800	6,800	6,800	---	---
LINK LAUREL.....	59,672	59,672	59,672	---	---
SATELLITE LASER COMMUNICATIONS.....	5,269	15,000	25,269	+20,000	+10,269
LINK SPRUCE.....	---	---	---	---	---
RETRACT MAPLE.....	81,697	81,697	111,697	+30,000	+30,000
LINK PLUMERIA.....	11,029	11,029	11,029	---	---
CHALK WEED.....	1,114	1,114	1,114	---	---
RETRACT ELM.....	41,039	41,039	41,039	---	---
WARFARE SYSTEMS ARCHITECTURE AND ENGINEERING.....	11,225	10,172	10,124	-1,101	-48
FIXED DISTRIBUTED SYSTEM.....	104,890	104,890	104,890	---	---
ANTI-SUBMARINE WARFARE ENVIRONMENTAL ACOUSTIC SUPPORT, SPECIAL PROCESSES.....	13,725	13,725	13,725	---	---
STANDARD AVIONICS DEVELOPMENT.....	38,173	38,173	38,173	---	---
IFF SYSTEM DEVELOPMENT.....	12,122	17,122	12,822	+700	-4,300
LAMPS.....	25,234	16,026	16,026	-9,208	---
HELICOPTER DEVELOPMENT.....	6,056	6,056	6,056	---	---
AV-8B AIRCRAFT (ENGINEERING).....	12,001	12,001	12,001	---	---
SUPPORT EQUIPMENT.....	39,156	39,156	39,156	---	---
P-3 MODERNIZATION PROGRAM.....	68,979	68,979	70,779	+1,800	+1,800
ELECTRONIC WARFARE SIMULATOR DEVELOPMENT.....	204,820	199,720	204,820	---	+5,100
C/MW-53E.....	38,751	38,751	18,751	-20,000	-20,000
ACOUSTIC SEARCH SENSORS.....	8,951	8,951	8,951	---	---
V-22A.....	43,156	43,156	43,156	---	---
AVIATION LIFE SUPPORT SYSTEMS (ENG).....	306,677	306,677	306,677	---	---
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM.....	17,162	17,162	17,162	---	---
EW DEVELOPMENT.....	36,103	36,103	36,103	---	---
CONSOLIDATED EW PROGRAMS.....	189,814	189,814	189,614	-200	-200
MK 92 FIRE CONTROL SYSTEM UPGRADE.....	---	---	---	---	---
AEGIS AREA AIR DEFENSE.....	2,946	2,946	2,946	---	---
AEGIS COMBAT SYSTEM ENGINEERING.....	9,154	9,154	9,154	---	---
SEA LANCE.....	59,466	59,466	59,466	---	---
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE.....	50,000	65,000	80,287	+30,287	+15,287
AIR-TO-AIR MISSILE SYSTEMS ENGINEERING.....	13,600	13,600	13,600	---	---
VERTICAL LAUNCH ASROC.....	21,306	21,306	21,306	---	---
CLOSE-IN WEAPON SYSTEM (PHALANX).....	30,287	30,287	---	-30,287	-30,287
MATO SEA SPARROW.....	5,326	5,326	5,326	---	---
STANDARD MISSILE IMPROVEMENTS.....	5,970	5,970	5,970	---	---
TOMAHAWK.....	52,059	52,059	52,059	---	---
5"ROLLING AIR FRAME MISSILE.....	45,550	45,550	45,550	---	---
SSN-688 CLASS VERTICAL LAUNCH SYSTEM.....	8,603	8,603	8,603	---	---
NEW THREAT UPGRADE.....	14,158	14,158	14,158	---	---
SUBMARINE COMMUNICATIONS.....	12,976	12,976	12,976	---	---
SUBMARINE SONAR DEVELOPMENT.....	4,140	4,140	4,140	---	---
AIR CONTROL.....	36,033	36,033	36,033	---	---
CHEMICAL WARFARE COUNTERMEASURES.....	18,028	18,028	19,428	+1,400	+1,400
NAVY STANDARD SIGNAL PROCESSORS.....	6,508	6,508	6,508	---	---
RADAR SURVEILLANCE EQUIPMENT.....	29,017	29,017	29,017	---	---
SUBMARINE SUPPORT EQUIPMENT PROGRAM.....	6,124	10,124	6,124	---	-4,000
SHIP SURVIVABILITY.....	15,456	15,456	15,456	---	---
COMBAT INFORMATION CENTER CONVERSION.....	6,080	6,080	6,080	---	---
SUBMARINE COMBAT SYSTEM.....	19,609	19,609	19,609	---	---
SSN-21 DEVELOPMENTS.....	382,534	375,734	375,734	-6,800	---
SUBMARINE TACTICAL WARFARE SYSTEM.....	195,080	190,000	189,800	-5,280	-200
PHYSICAL SECURITY (ENGINEERING).....	43,917	43,917	43,917	---	---
SHIP SUBSYSTEM DEVELOPMENT/LAND BASED TEST SITE.....	12,086	---	12,686	+600	+12,686
STANDARD EMBEDDED COMPUTER RESOURCES.....	58,667	58,667	57,367	-1,300	-1,300
AN/SQS-53C.....	13,193	7,829	13,193	---	+5,364
LINK BIRCH.....	2,968	2,968	2,968	---	---
MINE DEVELOPMENT.....	1,922	1,922	1,922	---	---
NAVAL GUNNERY IMPROVEMENTS.....	10,389	10,389	10,389	---	---
UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS.....	7,869	7,869	7,869	---	---
	2,019	---	2,019	---	+2,019

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
SURFACE ELECTRO-OPTIC SYSTEM.....	5,774	5,774	5,774	---	---
BOMB FUZE IMPROVEMENT.....	1,590	9,990	9,990	+8,400	---
MK 50 TORPEDO.....	134,685	134,685	134,685	---	---
JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT.....	5,334	5,334	5,334	---	---
MARINE CORPS ASSAULT VEHICLES.....	20,025	30,025	20,025	---	-10,000
MK 48 ADCAP (ENGINEERING).....	27,682	---	27,682	---	+27,682
ANTI-SUBMARINE WARFARE OCEANOGRAPHIC EQUIPMENT.....	1,235	1,235	1,235	---	---
CHALK BANYAN.....	---	---	---	---	---
THEATRE MISSION PLANNING CENTER.....	17,395	17,395	17,395	---	---
INITIAL TRAINER ACQUISITION.....	56,749	---	61,649	+4,900	+61,649
NAVY EMERGENCY PROGRAM.....	4,761	4,761	4,761	---	---
SURFACE WARFARE TRAINING DEVICES.....	18,753	18,753	18,753	---	---
MARINE CORPS COMBAT SERVICES SUPPORT.....	22,390	22,390	22,790	+400	+400
MARINE CORPS INTELLIGENCE/ELECTRONICS WARFARE SYSTEM..	1,057	1,057	1,057	---	---
MARINE CORPS COMMAND/CONTROL/COMMUNICATIONS SYSTEMS...	26,369	26,369	26,369	---	---
INTELLIGENCE.....	4,670	4,670	4,670	---	---
MEDICAL DEVELOPMENTS.....	3,026	3,026	3,026	---	---
JT INTEROPERABILITY OF TACTICAL COMMAND/CONTROL SYS...	265	---	265	---	+265
JINTACCS MARINE CORPS.....	1,747	1,747	1,747	---	---
ELECTROMAGNETIC SPECTRUM MANAGEMENT.....	2,045	2,045	2,045	---	---
MANAGEMENT AND TECHNICAL SUPPORT.....	9,357	7,280	7,280	-2,077	---
C2 SURVEILLANCE/RECONNAISSANCE SUPPORT.....	7,801	7,801	7,801	---	---
A-6 SQUADRONS.....	1,449	1,449	1,449	---	---
F/A-18 SQUADRONS.....	13,160	13,160	13,160	---	---
EARLY WARNING AIRCRAFT SQUADRONS.....	23,104	23,104	23,104	---	---
AVIATION SUPPORT CVM.....	---	---	---	---	---
FLEET TELECOMMUNICATIONS (TACTICAL).....	2,533	5,533	2,533	---	-3,000
UNDERSEA SURVEILLANCE SYSTEMS.....	40,938	40,938	40,938	---	---
SHIP-TOWED ARRAY SURVEILLANCE SYSTEMS.....	4,410	4,410	4,410	---	---
SPECIAL PROJECTS.....	6,356	6,356	6,356	---	---
NAVY COVER & DECEPTION PROGRAM.....	---	1,000	---	---	-1,000
HARM IMPROVEMENT.....	---	---	---	---	---
TACTICAL INFORMATION SYSTEM.....	115,535	115,535	115,535	---	---
ASW COMBAT SYSTEMS INTEGRATION.....	14,333	14,333	14,333	---	---
AIRCRAFT EQUIP RELIABILITY/MAINTAINABILITY PROGRAM....	---	---	---	---	---
LABORATORY FLEET SUPPORT.....	5,516	5,516	5,516	---	---
F-14 UPGRADE.....	151,904	134,000	154,504	+2,600	+20,504
TACTICAL INTELLIGENCE PROCESSING.....	2,137	2,137	2,137	---	---
OPERATIONAL REACTOR DEVELOPMENT.....	37,587	37,587	37,587	---	---
MARINE CORPS TELECOMMUNICATIONS.....	8,439	8,439	8,439	---	---
MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS...	43,851	32,890	38,371	-5,480	+5,481
MARINE CORPS COMBAT SERVICES SUPPORT.....	2,516	2,516	2,516	---	---
MARINE CORPS INTELL/ELECTRONICS WARFARE SYSTEMS.....	17,742	17,742	17,742	---	---
MARINE CORPS COMMAND/CONTROL/COMMUNICATIONS SYSTEMS...	19,059	19,059	19,059	---	---
TACIT RAINBOW.....	5,847	5,847	5,847	---	---
JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC).....	2,697	2,697	2,697	---	---
SSN-688 UPGRADE.....	---	---	---	---	---
QUICK REACTION SURVEILLANCE SYSTEM.....	---	---	---	---	---
FORCE ENHANCEMENTS-ACTIVE.....	19,731	29,131	19,731	---	-9,400
ATF - ADV TACTICAL FIGHTER.....	---	15,000	65,000	+65,000	+50,000
NAVY OCEANOGRAPHY PROGRAM.....	---	---	3,000	+3,000	+3,000
OCEANOGRAPHIC INSTRUMENTATION ACTIVITIES.....	---	---	2,000	+2,000	+2,000
UNDISTRIBUTED REDUCTION, TACTICAL PROGRAMS.....	---	---	---	---	---
CLASSIFIED PROGRAMS.....	1,191,192	1,191,192	1,191,192	---	---
TOTAL, TACTICAL PROGRAMS.....	5,992,440	5,903,630	6,094,813	+102,373	+191,183

INTELLIGENCE & COMMUNICATIONS

INTEGRATED PLATFORM COMMUNICATIONS DEVELOPMENT.....	18,770	18,770	18,770	---	---
WARFARE SUPPORT SYSTEM.....	33,285	23,285	33,285	---	+10,000
TACTICAL COMMAND SYSTEM.....	26,353	26,353	26,353	---	---
COMMUNICATION SUPPORT SYSTEM.....	---	---	---	---	---

[in thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
EHF SATCON.....	29,297	29,297	29,297	---	---
NAVSTAR GPS.....	42,669	42,669	42,669	---	---
NAVY COMMAND/CONTROL TOP LEVEL WARFARE REQUIREMENT....	3,536	3,536	3,536	---	---
SATELLITE COMMUNICATIONS.....	21,471	21,471	21,471	---	---
MILSTAR SATELLITE COMMUNICATIONS SYSTEM.....	4,737	4,737	4,737	---	---
CLASSIFIED PROGRAMS.....	571,595	608,984	570,095	-1,500	-38,889
TOTAL, INTELLIGENCE & COMMUNICATIONS.....	751,713	779,102	750,213	-1,500	-28,889
DEFENSEWIDE MISSION SUPPORT					
ENVIRONMENTAL PROTECTION.....	5,814	5,814	6,214	+400	+400
RANGE INSTRUMENTATION SYSTEMS DEVELOPMENT (RISD).....	7,038	7,038	7,038	---	---
AIR/OCEAN EQUIPMENT ENGINEERING.....	2,111	2,111	2,111	---	---
TARGET SYSTEMS DEVELOPMENT.....	93,974	93,974	93,974	---	---
PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS....	1,025	1,025	1,025	---	---
STUDIES AND ANALYSIS SUPPORT - MC.....	1,913	1,913	1,913	---	---
STUDIES AND ANALYSIS SUPPORT - NAVY.....	3,610	3,610	3,610	---	---
MARINE CORPS OPERATIONS ANALYSIS GROUP, CMA.....	4,516	4,516	4,516	---	---
CENTER FOR NAVAL ANALYSES.....	17,763	17,763	17,763	---	---
FLEET TACTICAL DEVELOPMENT AND EVALUATION.....	13,862	13,862	13,862	---	---
MARINE CORPS OPERATIONAL TEST AND EVALUATION.....	1,300	1,300	1,300	---	---
TECHNICAL INFORMATION SERVICES.....	2,599	2,599	2,599	---	---
MARINE CORPS DEVELOPMENT CENTER SUPPORT.....	5,246	5,246	5,246	---	---
INTERNATIONAL RDT&E.....	3,693	3,693	1,248	-2,445	-2,445
RDT&E LABORATORY AND FACILITIES MANAGEMENT SUPPORT....	51,751	51,751	51,751	---	---
RDT&E INSTRUMENTATION AND MATERIEL SUPPORT.....	29,915	29,915	8,896	-21,019	-21,019
RDT&E SHIP AND AIRCRAFT SUPPORT.....	86,560	86,560	86,560	---	---
TEST AND EVALUATION SUPPORT.....	325,365	325,365	320,100	-5,265	-5,265
OPERATIONAL TEST AND EVALUATION CAPABILITY.....	8,591	8,591	8,591	---	---
MARINE CORPS TACTICAL EXPLOITATION OF NATIONAL CAPABIL	969	969	969	---	---
PRODUCTIVITY INVESTMENTS.....	261	261	261	---	---
WEATHER SERVICE.....	879	879	879	---	---
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (DMSP).....	2,136	2,136	2,136	---	---
INDUSTRIAL PREPAREDNESS.....	43,482	43,482	43,682	+200	+200
TOTAL, DEFENSEWIDE MISSION SUPPORT.....	714,373	714,373	686,244	-28,129	-28,129
LASER COMMUNICATION.....					
ACOUSTIC VIDEO PROCESSOR/ADA IMPLEMENTATION.....	---	---	---	---	---
SMALL ROTARY ENGINE RPV.....	---	---	---	---	---
GENERAL REDUCTION, SPECIAL ACCESS.....	---	---	---	---	---
NAVAL OCEANOGRAPHIC PROG.....	---	---	---	---	---
AN/SQR-17 TORPEDO DETECTIVE PROCESSOR.....	---	---	---	---	---
FERS ADJUSTMENT.....	---	---	---	---	---
R&D CIVILIANS END STRENGTH CAP.....	---	---	---	---	---
NAVY BUDGET AMENDMENT (H. DOC. 100-122).....	---	---	---	---	---
MILSTAR TRANSFER.....	---	---	---	---	---
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL NAVY.....	9,216,200	9,136,405	9,291,614	+75,414	+155,209

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

1988 appropriation	\$15,002,095,000
1989 budget estimate	14,932,100,000
House allowance	14,313,135,000
Committee recommendation	14,588,332,000

The Committee recommends an appropriation of \$14,588,332,000, a reduction of \$343,768,000 to the budget request. The Committee recommendation is \$275,197,000 above the House allowance.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Technology base	782,532	779,012	768,872	- 13,660
Advanced technology development	784,225	761,525	710,751	- 73,474
Strategic programs	5,358,886	4,951,301	5,043,495	- 315,391
Tactical programs	4,265,852	4,177,823	4,094,761	- 171,091
Intelligence and communications	2,025,497	2,006,047	2,171,597	+ 146,100
Defensewide mission support	1,715,108	1,637,427	1,798,856	+ 83,748

The budget activities and programs funded under this appropriation are discussed below.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments to the budget request based on authorization actions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Navstar global positioning system (Space and control segment)	53,232	15,332	48,232	- 5,000
Undistributed reduction (GPS, DSCS, DMSP, DSP satellite programs)			- 10,000	- 10,000
Range improvement	40,065	66,265	20,065	- 20,000

HOUSE REDUCTIONS

The Committee concurs with the following House reductions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Space test program	72,796	44,996	44,996	- 27,800
Space shuttle operations	58,715	40,515	40,515	- 18,200

COMMITTEE RECOMMENDED ADJUSTMENTS

The fiscal year 1988 budget request included several programs which: (a) contained unjustifiably large increases compared to the amounts appropriated in fiscal year 1988, or (b) represent basic generic RDT&E

functions not associated with specific program requirements, or (c) lacked convincing military rationale to merit requested funding, or (d) proposed new projects or significantly expanded projects of not high enough priority to justify a new or expanded initiative in the present constrained fiscal environment, or (e) contained funds which the Air Force later identified as excess to program requirements; or (f) apparently duplicate activities funded in other programs. Accordingly, the Committee recommends the following adjustments:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Short-range attack missile II [SRAM-II].....	231,467	216,467	201,467	- 30,000
Rocket propulsion: Interdisci- plinary space technology project, space propulsion technology project, multiple applications technology project.....	39,152	36,632	34,515	- 4,637
Crew systems and personal protection technology: Ad- vanced strategic aerospace crew systems, human centered technology for improved com- mand, control, and communica- tions.....	22,259	22,259	20,459	- 1,800
Advanced avionics integration: Radar air-to-ground target ac- quisition system, concealed relocatable target detection radar system, ultra-reliable radar, travel and administration costs of above projects.....	14,028	14,028	2,895	- 11,133
Hypervelocity missile: Advanced missile technology integration project.....	6,577	5,577	5,577	- 1,000
Advanced systems engineering/ planning.....	14,431	13,431	13,271	- 1,160
International activities.....	3,737	3,737	2,737	- 1,000

ADDITIONAL MAJOR PROGRAM ADJUSTMENTS AND SPECIAL INTEREST ITEMS

The Committee recommends the following additional adjustments to the budget request, along with recommendations and observations about several special interest items:

Air Force programs transferred to OSD Joint Standoff Weapons [JSOW] Program.—As discussed in the RDT&E introduction, the Committee continues to be concerned about the apparent, continued lack of satisfactory coordination, and possible duplication, among programs, including those related to the development of a new long-range conventional cruise missile. Accordingly, the Committee recommends transferring the funds for the long-range conventional cruise missile efforts to the JSOW Program in OSD. To ensure the synergism among several conventional standoff weapons development initiatives, the Committee also recommends transferring the funds requested for the strategic conventional standoff capability effort to the JSOW Program. The specific programs affected are:

(a) *Advanced avionics for aerospace vehicles.*—The Committee recommends \$28,310,000 for this program, a reduction of \$1,804,000 to the budget request and an amount \$3,196,000 above the House allowance. The reduction consists of the funds allocated for the cruise missile advanced guidance project, which is transferred to the joint OSD program.

(b) *Conventional weapons.*—The Committee recommends an appropriation of \$23,501,000, a reduction of \$1,800,000 to the budget request and an amount \$11,200,000 above the House allowance. The reduction is associated with the tactical laser radar seeker project, which is transferred to the joint OSD program.

(c) *Long-range conventional cruise missile.*—The Committee eliminates the \$50,000,000 Air Force budget request for this program, as does the House allowance, and transfers the effort to the joint program.

(d) *Engine Model Derivative Program.*—The Committee recommends an appropriation of \$557,000, a reduction of \$400,000 to the budget request for this program. The reduction encompasses the propfan cruise missile engine development project, which is transferred to the joint program. The House allowance denies the entire \$957,000 budget request.

(e) *Strategic conventional standoff capability.*—The Committee eliminates the \$10,000,000 Air Force budget request for this program and transfers the effort to the joint program. The House allowance contains the Air Force budget request.

In-house laboratory independent research.—The Committee recommends an appropriation of \$2,249,000, a reduction to the budget request of \$7,974,000 and an amount \$12,974,000 below the House allowance, for this program intended to strengthen the internal competence of in-house personnel at Air Force laboratories. The reduction is based on a report by the Defense Department inspector general, which outlined serious administrative problems with the program throughout DOD, and on the fact that the Air Force expenditure of most of its funds for outside, contract research appears to contradict the original goal of the program.

The DOD inspector general's report found that Air Force laboratories expended other funds to achieve the original purpose of the in-house program and used the in-house independent research funds, which may be spent at the discretion of the laboratory director, on projects that would normally require formal approval.

In addition, Air Force information discloses that only 14 percent of the in-house program's funds were used to support internal research efforts for fiscal year 1987, the last year for which data is available. The Air Force contracted for outside research with the remaining 86 percent of the in-house funds.

Accordingly, the Committee's recommended funding supports a fiscal year 1989 level of effort equivalent to the 14 percent of funds used in fiscal year 1987 to perform in-house research in accordance with the original program goals.

National Aerospace Plane [NASP] Technology Program.—The Committee recommends an appropriation of \$189,405,000, a reduction of \$55,362,000 to the budget request and the same amount below the House allowance. The recommendation provides sufficient funds to protect the NASP program from inflation but eliminates the requested, excessive real growth (29 percent) in recognition of the lower priority the Air Force assigns to the effort and of the need to fund other, much-higher priority space launch recovery activities. The Committee also understands that the date of the first flight of the experimental NASP aircraft, the X-30, probably will be delayed another year, and that the Air Force is considering reducing its budget requests for the program in at least the next 2 fiscal years.

Advanced strategic missile systems [ASMS].—Recognizing that current U.S. intercontinental ballistic missiles [ICBM's], including the new Peacekeeper weapon system, are likely to remain in the inventory past the year 2000 unless retired for arms control reasons, the Committee recommends an appropriation of \$143,836,000 for this program to improve ICBM technologies and to develop new ICBM's. The reduction of \$8,000,000 to the budget request denies one-half of the funds requested by this program for the advanced missile technologies project, which is directed toward developing new ICBM's instead of improvements or modifications to the current systems.

The Committee regards this funding request as very premature, considering the unlikely prospects for congressional approval of a completely new ICBM for many years, especially in view of the continued debate between proponents of the Peacekeeper and small mobile ICBM and of the fact that the Peacekeeper will not reach full operational capability until almost the mid-1990's. The House allowance contains the budget request for the ASMS program.

B-1B bomber integration activities.—The Committee recommends an addition to the budget request of \$15,000,000 to permit the Air Force to investigate alternatives to the present, problem-plagued B-1B electronic countermeasures system. The House allowance does not contain these additional funds.

ICBM modernization.—As discussed in the introduction to the RDT&E section, the Committee recommends several changes in the budget request for ICBM modernization programs. These programs include the Peacekeeper flight test program, the rail mobile MX (Peacekeeper), and the small mobile ICBM (Midgetman). The Committee's total recommendation for this program is \$790,000,000, a reduction of \$242,891,000 from the budget request and an amount \$57,109,000 above the House allowance. The recommendation consists of the following components:

(a) *Peacekeeper.*—The Committee recommends the \$40,000,000 budget request for the flight test program, an amount \$7,109,000 above the House allowance.

(b) *Small mobile ICBM.*—The Committee recommends \$50,000,000 for the Midgetman program, a reduction of \$150,000,000 to the budget

request and \$550,000,000 below the House allowance. In addition to its previous comments about the Midgetman, the Committee also notes that both the Secretary of the Air Force and the service's Chief of Staff have testified that constrained defense budgets in the future mean that funding to continue the Small ICBM would have to come from much higher priority programs to improve our conventional forces. The Committee takes strong exception to such a militarily-unwise course of action.

(c) *Rail mobile MX (Peacekeeper).*—The Committee recommends an appropriation of \$686,900,000, a reduction of \$105,991,000 from the budget request and \$586,900,000 above the House allowance. The reduction includes the \$92,891,000 denied by the Senate-passed Department of Defense Authorization Act and \$13,100,000 for RDT&E-related military construction projects recommended for funding in the Military Construction Appropriations Act, 1989.

Recycled grade crossing materials.—The Committee requests that the Air Force thoroughly examine the use of rail-highway grade crossing surface materials made of recycled products for MX Rail Garrison Program requirements. Existing law (42 U.S.C. 4331) and administrative regulation (32 CFR 214) require compliance with environmental policy to enhance the use of renewable resources and maximum attainable recycling of depletable resources. To emphasize these policy objectives, the Air Force should consider the use of recycled surface materials as a preferred option provided that required specifications are met and that the installed cost of these materials is the lowest cost or commensurate with other options proposed.

PACCS/WWABNCP system EC-135 class V modifications.—The Committee recommends an appropriation of \$8,710,000, an increase of \$7,500,000 to the budget request and an equal amount above the House allowance, for this important nuclear command, control, and communications program. The additional funds are recommended to continue modernization of the automated data processing capabilities of the entire fleet of EC-135 airborne command post aircraft for the operational Commanders-in-Chief [CinC's] of the U.S. nuclear-capable forces. These aircraft are a primary, more-survivable communications link between these CinC's and their nuclear-capable forces.

Advanced tactical fighter [ATF].—The Committee recommends an appropriation of \$682,483,000, a reduction of \$19,800,000 to the budget request and the same amount below the House allowance for this program to develop a successor to the Air Force's F-15 as the service's premier air superiority fighter/interceptor. The recommended reduction includes \$10,000,000 expected to be denied by the authorization act and another \$9,800,000 in RDT&E-related military construction funded in the Committee's recommended Military Construction Appropriations Act, 1989.

C-17 Program.—This program is developing the Air Force's new strategic and tactical airlift aircraft to supplement its current fleet of C-5, C-141, and C-130 transports. Since the program is transitioning

from RDT&E to procurement, the Committee agrees with the House allowance's reduction of \$20,000,000 from the RDT&E account. The Committee recommends an appropriation of \$936,337,000, a reduction of \$24,730,000 from the budget request and another \$4,730,000 below the House allowance. The additional reduction is an RDT&E-related military construction project recommended for funding in the Military Construction Appropriations Act, 1989.

Electronic warfare [EW] development.—The Committee recommends an appropriation of \$93,188,000, a reduction of \$33,990,000 to the budget request and \$23,990,000 below the House allowance for this consolidated program to develop electronic warfare systems for various Air Force aircraft. The reductions are associated with two failed programs, the ALQ-99E update for the EF-111 aircraft and the automated reprogramming capability [ARC] demonstration model, and with a premature, major acceleration of a potentially duplicative project (Have Charcoal). The recommended adjustments are:

(a) *ALQ-99E.*—The Committee denies \$12,575,000 requested for this project for fiscal year 1989 since this program has been terminated by the Air Force. The Committee recommends that \$4,000,000 in unobligated fiscal 1988 project funds be used to examine alternatives to replacing the ALQ-99E effort.

(b) *ARC demonstration model.*—The Committee denies \$4,673,000 in requested fiscal year 1989 funds, since the program also was terminated and close-down costs were funded in fiscal year 1988.

(c) *Have Charcoal.*—The Committee defers \$13,692,000 of the \$15,692,000 in requested fiscal year 1989 funds for this project to provide for a common defensive architecture on tactical and strategic airlift aircraft. Before proposing this expensive new development program, however, the Air Force has failed to analyze EW systems already in existence, or being developed, for similar airframes, to determine their adaptability to its airlift fleet. These systems include an existing defensive suite on other aircraft and those being developed for the Air Force MC-/AC-130 Special Operations Forces aircraft. The Committee recommends that the remaining \$2,000,000 be used by the Air Force to analyze existing EW systems, or those already under development, to determine their adequacy and feasibility toward meeting the defensive needs of the airlift aircraft. Such analyses should include flight testing of Marine Corps systems and defensive concepts. The Committee expects that a full report containing these analyses, along with comparisons of the total program costs and 5-year defense program costs (in both current and constant, fiscal year 1990 dollars), and of the schedules, of all the alternatives, will be submitted with the fiscal year 1990 budget request.

Advanced short-range air-to-air missile [ASRAAM].—The Committee recommends an appropriation of \$1,000,000, a reduction of \$3,171,000 to the budget request and the same amount below the House allowance, for this joint program with our NATO allies to develop a follow-on missile to the current Sidewinder missile used for dog-fighting by United

States and allied fighter aircraft. The reduction is associated with the funds requested for initial procurement of test hardware, which the Air Force has indicated will be delayed for at least 1 year due to delays in the ASRAAM program. The Committee understands that completion of the ASRAAM project definition phase has slipped by 6 to 12 months, and until mid-fiscal year 1990, due to a restructuring of the program and the need to redesign the missile because of weight growth.

DOD physical security equipment-exterior.—The Committee is aware that VAX computers at the Air Force Aeronautical Systems Division [ASD] may be under an increasing threat from insider intercepts. The ASD recently sought an off the shelf system to provide a continuous audit of all user activity on its VAX VMS operating system for operational testing. Classified design and data transmissions on VAX computers must be secure in order to prevent access by unauthorized individuals to sensitive data. Therefore, the Committee recommends that \$200,000 of the \$5,144,000 provided for this physical security program be made available for software to demonstrate the insider threat detection software package for VAX computers at ASD.

Surface defense suppression.—The Committee recommends an appropriation of \$36,087,000, a reduction of \$3,700,000 to the budget request and the same amount below the House allowance, for this program. The recommendation denies funding for RDT&E for the AGM-130 standoff weapon since the Air Force has decided not to procure the weapon as scheduled, beginning in fiscal year 1990. Instead, the Air Force has decided to terminate this procurement plan.

F-4G Wild Weasel Squadrons.—The Committee recommends an appropriation of \$8,387,000, a reduction of \$12,900,000 to the budget request and an amount \$9,900,000 below the House allowance for this program to improve the Air Force's principal operational weapon system to suppress enemy radars. The reduction is associated with the Air Force's termination of phase II of the Performance Upgrade Program, for which these funds were requested in fiscal year 1989.

Airborne warning and control system [AWACS].—As partially discussed in the RDT&E introduction, the Committee recommends an appropriation of \$80,374,000, a reduction to the budget request of \$94,400,000 and \$64,374,000 below the House allowance for this program to maintain and improve the capabilities of these radar warning and tactical air combat battle management aircraft.

This reduction defers initiation of the AWACS Radar System Improvement Program [RSIP] for the following reasons: (1) the program is a new start which now is being reconsidered by OSD; (2) it has not been reconciled with the air defense initiative and Air Force/Naval airship alternatives to ensure there is no duplication among efforts to develop improved air defense surveillance capabilities; (3) it has been restructured once already due to an unexpected, large cost increase, and its final design is incomplete; (4) its \$500,000,000 to \$600,000,000 cost may be unaffordable in view of fiscal constraints; (5) it is a technologically risky development program; and (6) there are

questions whether it will be able to counter successfully the expected Soviet threat.

The Committee expects that OSD will submit with the fiscal year 1990 budget request a cost- and military-effectiveness comparison of the RSIP program with other alternatives, including Air Force/Naval airships and adaptations of capabilities being developed in the air defense initiative.

Seek Spinner and Tacit Rainbow.—The Committee strongly disagrees with the House allowance's increase of \$50,000,000 to the budget request to continue development of Seek Spinner, which is a duplication of the more flexible and versatile Tacit Rainbow system. The Committee recommends no funding for Seek Spinner in fiscal year 1989. Instead, the Committee recommends full funding of the budget request for Tacit Rainbow, a program to develop a loitering missile to attack enemy radars, and further recommends bill language rescinding \$47,900,000 in unobligated fiscal year 1987 Seek Spinner funds to terminate the program. The Committee's position is the same as it recommended last year to eliminate unnecessary and costly redundancy in this category of weaponry.

The Committee is aware that OSD decided 3 years ago to develop the more capable Tacit Rainbow instead of Seek Spinner and has received no information which would justify changing that position. Instead, the Committee has received recent classified information reinforcing the wisdom of that decision. A more detailed explanation of the Committee's position is contained in the classified annex to the Committee's report.

Space Boosters.—The Committee recommends an appropriation of \$453,085,000, a reduction to the budget request of \$35,700,000 and an amount \$20,100,000 below the House allowance for this program to develop the expendable launch vehicles needed to lift military payloads into space. This program is a component of the greatly expanded Space Launch Recovery Program undertaken by the Defense Department to remedy the problems caused by the *Challenger* space shuttle accident.

The reduction includes the \$15,600,000 denied by the House allowance and which the Air Force has indicated is unnecessary in fiscal year 1989 to accomplish program objectives, as well as \$20,100,000 the Committee is eliminating for RDT&E-related military construction projects recommended for funding in the Military Construction Appropriations Act, 1989.

In approving most of the space boosters request, the Committee—nevertheless is restricting the obligation and expenditure of any of the program funds until OSD submits the national space plan required by the conference report on the Department of Defense Appropriations Act, 1988.

National security-related space activities.—The Committee recommends bill language transferring \$200,000,000 from the Air Force to the National Aeronautics and Space Administration for national security-related space activities. The Committee believes that maintaining a robust space transportation capability is in the national security interest.

Sensor fuzed weapons [SFW].—The Committee notes with concern the decision to delay initial production of sensor fuzed weapons beyond fiscal year 1989. Smart munitions like SFW can exercise a critical force multiplier effect and thereby enhance overall U.S. conventional force capabilities, particularly against a numerically superior adversary. Such weapons should be developed as expeditiously as demonstrated technological progress permits to meet national security requirements.

The Committee understands that significant progress has been made in the development and testing of sensor fuzed weapons. Accordingly, the Air Force and OSD are urged to accelerate the initiation of SFW production in future budget requests.

F-15-launched Miniature Homing Vehicle Anti-Satellite [ASAT] Weapon Program.—The Committee stipulates that the F-15-launched Miniature Homing Vehicle [ASAT] weapon program is an item of special congressional interest.

Classified programs.—The Committee recommends several adjustments to classified programs which are discussed in the classified report annex. The Committee recommends an appropriation of \$12,357,000, an increase of \$3,000,000 to the budget request and \$4,000,000 above the House allowance, for the Spacetrack program. The Committee recommends an appropriation of \$753,013,000, an increase of \$22,000,000 to the budget request and \$26,000,000 above the House allowance, for classified tactical programs. The Committee recommends an appropriation of \$2,006,862,000, an increase of \$161,000,000 to the budget request and \$138,350,000 above the House allowance, for classified intelligence and communications programs.

RDT&E-related military construction.—As discussed in the RDT&E introduction, this year the Committee has recommended funding Air Force RDT&E-related construction projects in the Military Construction Appropriations Act, 1989, instead of in the regular defense appropriations act. Sixteen major construction and various minor construction projects are financed in this manner as a one-time, special funding mechanism, in view of the increased flexibility in the military construction accounts this year. The projects are:

Williams AFB, AZ:	
Full field of view dome display development.....	\$500,000
Fighter lead in trainer.....	100,000
Edwards AFB, CA:	
AF Flight Test Center—MSC uninterruptable power system	200,000
ATF DEM/VAL facilities	9,800,000
Construction C-17A airdrop test complex	4,700,000
Cape Canaveral, AFS, FL:	
Alternate integration transfer launch facilities.....	7,100,000
Medium Launch Vehicle Program.....	9,000,000
Solid rocket motor upgrade	4,000,000
Wright Patterson AFB, OH:	
Equip/install CRAY X-MP/48 computer system	300,000
Install combustion air heaters and exhaust.....	300,000
Modify sensor/system dynamic analyzer	200,000
Install equipment for RASPL.....	200,000

Arnold AFB, TN:

Test facility plant automation.....	\$200,000
Facility computer and network improvement.....	2,300,000
Upgrade ARC heater.....	300,000
Various locations: Peacekeeper rail garrison.....	13,100,000

As a result, the Committee is able to recommend the following reductions to these Air Force RDT&E programs:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Improved capability for DT&E.....	50,708	50,708	50,406	- 302
Test and evaluation support.....	298,087	298,087	295,590	- 2,497
Aerospace flight dynamics.....	69,269	69,269	69,207	- 62
Human systems tech.....	49,801	49,801	49,739	- 62
Aerospace propulsion.....	64,531	64,531	63,756	- 475
Aerospace avionics.....	66,467	64,467	66,017	- 450
Personnel/training and simula- tion.....	8,038	8,038	7,463	- 575
Edwards Air Force Base MSC uninterruptable power supply.....	150	150		- 150
RDT&E—Minor construction.....	9,443	9,443		- 9,443

House actions not agreed to.—The Committee disagrees with the following recommendations contained in the House allowance:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Aerospace avionics.....	66,467	64,467	66,467	
Command, control, and communi- cation.....	85,181	81,181	85,181	
Logistics system technology.....	16,436	13,436	16,436	
Aerospace propulsion and power tech.....	32,666	29,066	32,666	
Lincoln lab.....	25,132	23,132	25,132	
Space and missile rocket propul- sion.....	8,995	6,895	8,995	
Very high speed integrated cir- cuits.....	44,086	54,086	44,086	
Comn strat rotary launcher.....	946		946	
Advanced computer technology....	10,239	7,239	10,239	
War planning auto data proces- sing.....	20,298	10,298	20,298	
NCMC-TW/AA system.....	70,616	23,216	70,616	
Def sprt program.....	84,132	119,132	84,132	
Command center processing and display.....	26,939	24,700	26,939	
DOD physical secrty.....	939		936	
Tanker, transport, bomber.....	4,500		4,500	
Infrared search and track system.	4,872	3,872	4,872	
Variable stability in-flight simula- tor test aircraft.....	11,869		11,869	
ICNIA (ATF ATA, LHX).....		50,000		
Modular auto test equipment.....	13,289	9,289	13,289	
Chem/biological test equipment....	17,661	14,661	17,661	
Air base operability.....	17,018	14,018	17,018	
DOD physical security equipment.	5,144		5,144	
Combat identification system.....	107,196	85,196	107,196	

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Joint tactical information distribu- tion system [JTIDS]	64,710	40,410	64,710	
F-111 squadrons	21,541	15,541	21,541	
TR-1 squadron	102,208	92,208	102,208	
Tacit Rainbow	39,323	15,000	39,323	
Def sat com sys	38,061	35,661	38,061	
Traffic control approach and landing system	25,114	30,114	25,114	
NAVSTAR global positioning sys- tem (user equipment)	50,150	43,250	50,150	
Sat system survivability	3,784	9,084	3,784	
Flight simulator development	72,800	60,800	72,800	
R&M maturation/tech insertion	20,760	18,760	20,760	
Project Air Force	21,992	18,992	21,992	
RDT&E aircraft support	57,826	52,826	57,826	
Real prop maintenance	81,881	75,000	81,881	
Base operations	61,543	58,543	61,543	
Sat control fac	100,803	91,903	100,803	
Consol space ops center	44,085	29,085	44,085	
Def meteorological sat program [DMSP]	53,364	93,564	53,364	
Productivity, reliability, availabil- ity	16,398	15,398	16,398	

[in thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
RESEARCH DEVELOPMENT TEST & EVAL AF					
TECHNOLOGY BASE					
IN-HOUSE LABORATORY INDEPENDENT RESEARCH.....	10,223	15,223	2,249	-7,974	-12,974
DEFENSE RESEARCH SCIENCES.....	189,444	189,444	189,444	---	---
GEOPHYSICS.....	34,838	34,838	34,838	---	---
MATERIALS.....	58,367	58,367	58,367	---	---
AEROSPACE FLIGHT DYNAMICS.....	69,269	69,269	69,207	-62	-62
HUMAN SYSTEMS TECHNOLOGY.....	49,801	49,801	49,739	-62	-62
AEROSPACE PROPULSION.....	64,531	64,531	64,056	-475	-475
AEROSPACE AVIONICS.....	66,467	64,467	66,017	-450	+1,550
PERSONNEL, TRAINING AND SIMULATION.....	31,026	31,026	31,026	---	---
CIVIL ENGINEERING AND ENVIRONMENTAL QUALITY.....	5,541	5,541	5,541	---	---
ROCKET PROPULSION.....	39,152	36,632	34,515	-4,637	-2,117
ADVANCED WEAPONS.....	34,685	34,685	34,685	---	---
CONVENTIONAL MUNITIONS.....	44,007	44,007	44,007	---	---
COMMAND CONTROL AND COMMUNICATIONS.....	85,181	81,181	85,181	---	+4,000
TOTAL, TECHNOLOGY BASE.....	782,532	779,012	768,872	-13,660	-10,140
ADVANCE TECHNOLOGY DEVELOPMENT					
LOGISTICS SYSTEMS TECHNOLOGY.....	16,436	13,436	16,436	---	+3,000
INTELS/ICMIA.....	37,423	37,423	37,423	---	---
AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION.....	21,099	21,099	21,099	---	---
ADVANCED AVIONICS FOR AEROSPACE VEHICLES.....	30,114	25,114	28,310	-1,804	+3,196
AEROSPACE VEHICLE TECHNOLOGY.....	21,439	21,439	21,439	---	---
AEROSPACE STRUCTURE AND MATERIALS.....	27,921	27,921	27,921	---	---
AEROSPACE PROPULSION AND POWER TECHNOLOGY.....	32,666	29,066	32,666	---	+3,600
DOD COMMON PROGRAMMING LANGUAGE (ADA) ADVANCED DEVELOP	---	---	---	---	---
PERSONNEL, TRAINING AND SIMULATION TECHNOLOGY.....	8,038	8,038	7,463	-575	-575
CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY.....	22,259	22,259	20,459	-1,800	-1,800
ADVANCED FIGHTER TECHNOLOGY INTEGRATION.....	23,980	23,980	23,980	---	---
LINCOLN LABORATORY.....	25,132	23,132	25,132	---	+2,000
ADVANCED AVIONICS INTEGRATION.....	14,028	14,028	2,895	-11,133	-11,133
NATIONAL AERO SPACE PLANE TECHNOLOGY PROGRAM.....	244,767	244,767	189,405	-55,362	-55,362
EW TECHNOLOGY.....	35,667	35,667	35,667	---	---
SPACE AND MISSILE ROCKET PROPULSION.....	8,995	6,895	8,995	---	+2,100
HYPERVELOCITY MISSILE.....	6,577	5,577	5,577	-1,000	---
ADVANCED SPACECRAFT TECHNOLOGY.....	7,995	7,995	7,995	---	---
SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS TECHNOLOGY...	3,930	3,930	3,930	---	---
VERY HIGH SPEED INTEGRATED CIRCUITS.....	44,086	54,086	44,086	---	-10,000
CONVENTIONAL WEAPONS.....	25,301	12,301	23,501	-1,800	+11,200
ADVANCED WEAPONS TECHNOLOGY.....	74,494	74,494	74,494	---	---
EXCIMER AND RELATED TECHNOLOGIES.....	---	---	---	---	---
WEATHER SYSTEMS - ADV DEV.....	5,334	5,334	5,334	---	---
CIVIL AND ENVIRONMENTAL ENGINEERING TECHNOLOGY.....	9,014	9,014	9,014	---	---
C3I SUBSYSTEM INTEGRATION.....	8,026	8,026	8,026	---	---
ADVANCED COMPUTER TECHNOLOGY.....	10,239	7,239	10,239	---	+3,000
TRAINING SYSTEMS TECHNOLOGY.....	470	470	470	---	---
DOD SOFTWARE ENGINEERING INSTITUTE.....	---	---	---	---	---
C3I TECHNOLOGY DEVELOPMENT.....	18,795	18,795	18,795	---	---
TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT.....	784,225	761,525	710,751	-73,474	-50,774
STRATEGIC PROGRAMS					
LONG RANGE CONVENTIONAL CRUISE MISSILE.....	50,000	---	---	-50,000	---
ADVANCED STRATEGIC MISSILE SYSTEMS.....	151,836	151,836	143,836	-8,000	-8,000
SHORT RANGE ATTACK MISSILE II (SRAM II).....	231,467	216,467	201,467	-30,000	-15,000
RELOCATABLE TARGET CAPABILITY PROGRAM.....	19,705	19,705	19,705	---	---

[In thousands of dollars]

	Budget estimate (1)	House allowance (2)	Committee recom- mendation (3)	Senate compared to—	
				Budget estimate (4)	House allowance (5)
TECHNICAL ON-SITE INSPECTION PROGRAM.....	9,291	9,291	9,291	---	---
B-1B.....	221,591	221,591	221,591	---	---
B-1B INTEGRATION ACTIVITIES.....	---	---	15,000	+15,000	+15,000
COMMON STRATEGIC ROTARY LAUNCHER.....	946	---	946	---	+946
ICBM MODERNIZATION.....	1,032,891	732,891	790,000	-242,891	+57,109
PEACEKEEPER.....	(40,000)	(32,891)	(40,000)	---	(+7,109)
SMALL ICBM.....	(200,000)	(600,000)	(50,000)	(-150,000)	(-550,000)
RAIL MOBILE MX.....	(792,891)	(100,000)	(686,900)	(-105,991)	(+586,900)
STRATEGIC CONVENTIONAL STANDOFF CAPABILITY (SCSC).....	10,000	10,000	---	-10,000	-10,000
AIR LAUNCHED CRUISE MISSILE (ALCM).....	957	957	957	---	---
SPACE DEFENSE SYSTEM.....	---	-16,000	---	---	+16,000
SYSTEMS SURVIVABILITY (NUCLEAR EFFECTS).....	8,333	8,333	8,333	---	---
KC-135 SQUADRONS.....	3,176	3,176	3,176	---	---
MINUTEMAN SQUADRONS.....	61,069	61,069	61,069	---	---
PACCS AND WABNCP SYSTEM EC-135 CLASS V MODS.....	1,210	1,210	8,710	+7,500	+7,500
WAR PLANNING AUTOMATED DATA PROCESSING (ADP) - SAC.....	20,298	10,298	20,298	---	+10,000
MCNC - TW/AA SYSTEMS.....	70,616	23,216	70,616	---	+47,400
MCNC - SPACE DEFENSE SYSTEMS.....	22,982	22,982	22,982	---	---
BALLISTIC MISSILE TACTICAL WARNING/ATTACK ASSESSMENT.....	2,533	2,533	2,533	---	---
JOINT SURVEILLANCE SYSTEM.....	1,751	1,751	1,751	---	---
SURVEILLANCE RADAR STATIONS/SITES.....	1,667	1,667	1,667	---	---
DISTANT EARLY WARNING (DEW) RADAR STATIONS.....	---	---	---	---	---
OVER-THE-HORIZON BACKSCATTER RADAR.....	19,201	19,201	19,201	---	---
BALLISTIC MISSILE EARLY WARNING SYSTEM (BMEWS).....	25,362	25,362	25,362	---	---
SPACETRACK.....	9,357	8,357	12,357	+3,000	+4,000
DEFENSE SUPPORT PROGRAM.....	84,132	119,132	84,132	---	-35,000
SUBMARINE-LAUNCHED BALLISTIC MISSILE (SLBM) RADAR WARN	10,165	10,165	10,165	---	---
NUDET DETECTION SYSTEM.....	10,922	10,922	10,922	---	---
COMMAND CENTER PROCESSING AND DISPLAY SYSTEM.....	26,939	24,700	26,939	---	+2,239
MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (ME	41,933	41,933	41,933	---	---
WORLD-WIDE MILITARY COMMAND AND CONTROL SYSTEMS, INFOR	2,317	2,317	2,317	---	---
MMCCS INFORMATION SYSTEM JOINT PROGRAM MANAGEMENT OFF	66,363	66,363	66,363	---	---
MILSTAR SATELLITE COMMUNICATIONS SYSTEM (AF TERMINALS)	310,347	310,347	310,347	---	---
MILITARY AIRLIFT GROUP (IF).....	193	193	193	---	---
MINUTEMAN PENALDS (PY).....	---	---	---	---	---
CLASSIFIED PROGRAMS.....	2,830,236	2,830,236	2,830,236	---	---
TOTAL, STRATEGIC PROGRAMS.....	5,358,886	4,951,301	5,043,495	-315,391	+92,194
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TACTICAL PROGRAMS					
ADVANCED TACTICAL FIGHTER.....	702,283	702,283	682,483	-19,800	-19,800
CV-22A.....	---	---	---	---	---
INTELLIGENCE ADVANCED DEVELOPMENT.....	4,994	4,994	4,994	---	---
AIR BASE OPERABILITY ADVANCED DEVELOPMENT.....	5,128	5,128	5,128	---	---
LOW COST ANTI-RADIATION SEEKER.....	12,453	12,453	12,453	---	---
DOD PHYSICAL SECURITY EQUIPMENT - EXTERIOR.....	936	---	936	---	+936
COMBAT IDENTIFICATION TECHNOLOGY.....	1,949	1,949	1,949	---	---
AIRCRAFT AVIONICS EQUIPMENT DEVELOPMENT.....	19,630	19,630	19,630	---	---
AIRCRAFT EQUIPMENT DEVELOPMENT.....	1,138	1,138	1,138	---	---
ENGINE MODEL DERIVATIVE PROGRAM (EMDP).....	957	---	557	-400	+557
INTEGRATED DIGITAL AVIONICS.....	---	---	---	---	---
NUCLEAR WEAPONS SUPPORT.....	2,177	2,177	2,177	---	---
ALTERNATE FIGHTER ENGINE.....	28,052	28,052	28,052	---	---
C-17 PROGRAM.....	961,067	941,067	936,337	-24,730	-4,730
TANKER, TRANSPORT, BOMBER TRAINING SYSTEM.....	4,500	---	4,500	---	+4,500
INFRARED SEARCH AND TRACK SYSTEM.....	4,872	3,872	4,872	---	+1,000
VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT.....	11,869	---	11,869	---	+11,869
CONSOLIDATED EW PROGRAM.....	---	---	---	---	---
ICNIA (ATF, ATA, LHX).....	---	50,000	---	---	-50,000
MODULAR AUTOMATIC TEST EQUIPMENT.....	13,289	9,289	13,289	---	+4,000
NIGHT/PRECISION ATTACK.....	4,684	4,684	4,684	---	---
INTEGRATED EW/CNI DEVELOPMENT.....	88,295	88,295	88,295	---	---

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM.....	94,510	94,510	94,510	---	---
EW DEVELOPMENT.....	127,178	117,178	93,188	-33,990	-23,990
ADVANCED MEDIUM-RANGE, AIR-TO-AIR MISSILE (AMRAAM)....	---	---	---	---	---
ADVANCED SHORT RANGE AIR-TO-AIR MISSILE (ASRAAM).....	4,171	4,171	1,000	-3,171	-3,171
HARDENED TARGET MUNITIONS.....	6,279	6,279	6,279	---	---
CHEMICAL/BIOLOGICAL DEFENSE EQUIPMENT.....	17,661	14,661	17,661	---	+3,000
ARMAMENT/ORDNANCE DEVELOPMENT.....	19,158	19,158	19,158	---	---
SUBMUNITIONS.....	7,326	7,326	7,326	---	---
WIDE-AREA, ANTI-ARMOR MUNITIONS.....	26,752	26,752	26,752	---	---
AIR BASE OPERABILITY.....	17,018	14,018	17,018	---	+3,000
AEROMEDICAL SYSTEMS DEVELOPMENT.....	6,097	6,097	6,097	---	---
COMMON SUPPORT EQUIPMENT DEVELOPMENT.....	1,635	1,635	1,635	---	---
LIFE SUPPORT SYSTEMS.....	16,914	16,914	16,914	---	---
OTHER OPERATIONAL EQUIPMENT.....	6,044	6,044	6,044	---	---
RECONNAISSANCE EQUIPMENT.....	---	---	---	---	---
DOD PHYSICAL SECURITY EQUIPMENT - EXTERIOR.....	5,144	---	5,144	---	+5,144
COMBAT IDENTIFICATION SYSTEMS.....	107,196	85,196	107,196	---	+22,000
SURFACE DEFENSE SUPPRESSION.....	39,787	39,787	36,087	-3,700	-3,700
PROTECTIVE SYSTEMS.....	---	---	---	---	---
COMPUTER RESOURCES MANAGEMENT TECHNOLOGY.....	13,156	13,156	13,156	---	---
PRECISION LOCATION STRIKE SYSTEM.....	---	---	---	---	---
INTELLIGENCE EQUIPMENT.....	4,875	4,875	4,875	---	---
JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS).....	64,710	40,410	64,710	---	+24,300
SIDE LOOKING AIRBORNE RADAR.....	3,650	3,650	3,650	---	---
JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM (JSTARS).....	238,070	238,070	238,070	---	---
JOINT INTEROPERABILITY OF TACTICAL COMMAND & CONTROL S.....	6,079	6,079	6,079	---	---
U.S. READINESS COMMAND - COMMUNICATIONS.....	---	---	---	---	---
F-111 SQUADRONS.....	21,541	15,541	21,541	---	+6,000
F-15A/B/C/D SQUADRONS.....	89,056	89,056	89,056	---	---
F-16 SQUADRONS.....	26,461	26,461	26,461	---	---
F-4G WILD WEASEL SQUADRONS.....	21,287	18,287	8,307	-12,900	-9,900
TACTICAL AGM MISSILES.....	---	---	---	---	---
F-111 SELF PROTECTION SYSTEMS.....	---	---	---	---	---
TR-1 SQUADRON.....	102,208	92,208	102,208	---	+10,000
FOLLOW-ON TACTICAL RECONNAISSANCE SYSTEM.....	56,562	56,562	56,562	---	---
AF TENCAP.....	323	323	323	---	---
TACIT RAINBOW.....	39,323	15,000	39,323	---	+24,323
OVERSEAS AIR WEAPON CONTROL SYSTEM.....	6,069	6,069	6,069	---	---
TACTICAL AIR CONTROL SYSTEMS.....	13,356	13,356	13,356	---	---
AIRBORNE WARNING AND CONTROL SYSTEM (AWACS).....	174,774	144,774	80,374	-94,400	-64,400
ADVANCED COMMUNICATIONS SYSTEMS.....	10,806	10,806	10,806	---	---
TACTICAL AIR INTELLIGENCE SYSTEM ACTIVITIES.....	---	---	---	---	---
TACTICAL RECONNAISSANCE IMAGERY AND EXPLOITATION.....	1,532	1,532	1,532	---	---
JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC).....	4,298	4,298	4,298	---	---
SATELLITE COMMUNICATIONS TERMINALS.....	17,994	17,994	17,994	---	---
MAC COMMAND AND CONTROL SYSTEM.....	9,015	9,015	9,015	---	---
SPECIAL OPERATIONS FORCES.....	---	---	---	---	---
A-7 SQUADRONS (ANG).....	83,288	83,288	83,288	---	---
FORCE ENHANCEMENTS-ACTIVE.....	155,263	155,263	155,263	---	---
SEEK SPINNER.....	---	50,000	---	---	-50,000
UNDISTRIBUTED REDUCTION, TACTICAL PROGRAMS.....	---	---	---	---	---
CLASSIFIED PROGRAMS.....	731,013	727,013	753,013	+22,000	+26,000
TOTAL, TACTICAL PROGRAMS.....	4,265,852	4,177,823	4,094,761	-171,091	-83,062
=====					
INTELLIGENCE & COMMUNICATIONS					
DEFENSE SATELLITE COMMUNICATIONS SYSTEM.....	38,061	35,661	38,061	---	+2,400
LONG-HAUL COMMUNICATIONS (DCS).....	4,751	4,751	4,751	---	---
INTER-SERVICE/AGENCY AUTOMATED MESSAGE PROCESSING EXCH.....	---	---	---	---	---
ELECTROMAGNETIC COMPATIBILITY ANALYSIS CENTER (ECAC).....	8,427	8,427	8,427	---	---
TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM (TRACALS).....	25,114	30,114	25,114	---	-5,000
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT).....	50,150	43,250	50,150	---	+6,900

[in thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE AND CONTROL S	53,232	15,332	48,232	-5,000	+32,900
UNDISTRIBUTED REDUCTION (GPS, DSCS, DMSP, DSP).....	---	---	-10,000	-10,000	-10,000
CLASSIFIED PROGRAMS.....	1,845,762	1,868,512	2,006,862	+161,100	+138,350
TOTAL, INTELLIGENCE & COMMUNICATIONS.....	2,025,497	2,006,047	2,171,597	+146,100	+165,550
=====					
DEFENSEWIDE MISSION SUPPORT					
SPACE TEST PROGRAM.....	72,796	44,996	44,996	-27,800	---
SATELLITE SYSTEMS SURVIVABILITY.....	3,784	9,084	3,784	---	-5,300
ADVANCED AERIAL TARGET DEVELOPMENT.....	3,711	3,711	3,711	---	---
FLIGHT SIMULATOR DEVELOPMENT.....	72,800	60,800	72,800	---	+12,000
R&M MATURATION/TECHNOLOGY INSERTION.....	20,760	18,760	20,760	---	+2,000
WEATHER SYSTEMS - EMG DEV.....	8,761	8,761	8,761	---	---
RANGE IMPROVEMENT.....	40,065	66,265	20,065	-20,000	-46,200
ELECTROMAGNETIC RADIATION TEST FACILITIES.....	5,233	5,233	5,233	---	---
IMPROVED CAPABILITY FOR DEVELOPMENT TEST & EVALUATION.	50,708	50,708	50,406	-302	-302
PROJECT AIR FORCE.....	21,992	18,992	21,992	---	+3,000
RANCHO HAWD II EPIDEMIOLOGY STUDY.....	1,747	1,747	1,747	---	---
NAVIGATION/RADAR/SLED TRACK TEST SUPPORT.....	20,545	20,545	20,545	---	---
TEST AND EVALUATION SUPPORT.....	298,087	298,087	295,590	-2,497	-2,497
ADVANCED SYSTEMS ENGINEERING/PLANNING.....	14,431	13,431	13,271	-1,160	-160
DYCONS.....	9,191	9,191	9,191	---	---
RDTE AIRCRAFT SUPPORT.....	57,826	52,826	57,826	---	+5,000
REAL PROPERTY MAINTENANCE - RDTE.....	81,881	75,000	81,881	---	+6,881
BASE OPERATIONS - RDTE.....	61,543	58,543	61,543	---	+3,000
RDTE MINOR CONSTRUCTION (UNDISTRIBUTED REDUCTION)....	---	---	-9,443	-9,443	-9,443
EDWARDS AFB MSC UNINTERRUPTABLE POWER SUPPLY.....	---	---	-150	-150	-150
SATELLITE CONTROL FACILITY.....	100,803	91,903	100,803	---	+8,900
SPACE BOOSTERS.....	488,785	473,185	453,085	-35,700	-20,100
CONSOLIDATED SPACE OPERATIONS CENTER.....	44,085	29,085	44,085	---	+15,000
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (DMSP).....	53,364	93,564	53,364	---	-40,200
SPACE SHUTTLE OPERATIONS.....	58,715	40,515	40,515	-18,200	---
INVENTORY CONTROL POINT OPERATIONS.....	4,476	4,476	4,476	---	---
DEPOT MAINTENANCE (NON-IF).....	973	973	973	---	---
INDUSTRIAL PREPAREDNESS.....	97,911	97,911	97,911	---	---
PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN. PRO	16,398	15,398	16,398	---	+1,000
INTERNATIONAL ACTIVITIES.....	3,737	3,737	2,737	-1,000	-1,000
NATIONAL SECURITY-RELATED SPACE ACTIVITIES.....	---	---	200,000	+200,000	+200,000
LEASED EQUIPMENT.....	---	-30,000	---	---	+30,000
TOTAL, DEFENSEWIDE MISSION SUPPORT.....	1,715,108	1,637,427	1,798,856	+83,748	+161,429
=====					
R&D CIVILIANS END-STRENGTH CAP.....	---	---	---	---	---
CLASSIFIED AIRCRAFT PROGRAM.....	---	---	---	---	---
POPEYE.....	---	---	---	---	---
GENERAL REDUCTION, SPECIAL ACCESS.....	---	---	---	---	---
FERS ADJUSTMENT.....	---	---	---	---	---
GENERAL INCREASE.....	---	---	---	---	---
=====					
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL AF.....	14,932,100	14,313,135	14,588,332	-343,768	+275,197

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

1988 appropriation	\$7,631,825,000
1989 budget estimate.....	8,667,800,000
House allowance.....	7,468,757,000
Committee recommendation	8,423,698,000

The Committee recommends an appropriation of \$8,423,698,000 for research, development, test and evaluation programs of the Defense Agencies, a reduction of \$244,102,000 to the budget request for fiscal year 1989. The recommendation is \$954,941,000 above the House allowance.

SUMMARY TABLE

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Technology base	970,221	1,254,694	1,100,758	+ 130,537
Advanced technology development.....	5,144,687	3,727,799	4,361,150	- 783,537
Strategic programs	304,602	264,602	244,602	- 60,000
Tactical programs.....	181,252	225,352	203,390	+ 22,138
Intelligence and communications	1,640,209	1,642,346	1,630,209	- 10,000
Defensewide mission support	426,829	353,964	423,589	- 3,240

The budget activities and programs funded under this appropriation are discussed below.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments to the budget request based on authorization actions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Jnt. DOD-DOE Munitions Tech. Development	7,716.....		20,000	+ 12,284
Threat simulator development.....			60,000	+ 60,000
Mngmt. HQ [SDI]	24,790.....		21,000	- 3,790

COMMITTEE RECOMMENDED ADJUSTMENTS

The fiscal year 1989 budget request included programs which: (a) contained unjustifiably large increases compared to amounts appropriated in fiscal year 1988, or (b) represent basic generic RDT&E support functions not directly associated with specific program requirements, or (c) lacked convincing military rationale to merit requested funding in the present constrained fiscal environment. Accordingly, the Committee recommends the following adjustments:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Defense Nuclear Agency.....	346,848	314,289	321,885	- 24,963
Technical support to USD(A)	18,467	18,467	17,567	- 900
General support for PA&E	2,353	2,353	2,213	- 140
General support for policy	5,747	5,747	5,556	- 191
Gen. support for net assess- ment.....	3,812	3,812	3,570	- 242
General support for FM&P.....	1,631	1,631	1,555	- 76
Technical support to USD(A) criti- cal technology.....	3,968	3,353	3,224	- 744
General support to C ³ I.....	2,568	2,568	2,391	- 177
General support for P&L.....	2,865	2,865	2,598	- 267
Defense technical info center	23,824	23,824	21,000	- 2,824

ADDITIONAL MAJOR PROGRAM ADJUSTMENTS AND SPECIAL INTEREST ITEMS

The Committee recommends the following additional adjustments to the budget request, along with recommendations and observations about several special interest items:

Strategic technology.—The Committee recommends an appropriation of \$352,140,000, an increase to the budget request of \$124,500,000 and \$99,179,000 above the House allowance. The Committee's recommendation consists of the following additional appropriations above the budget request to continue initiatives in several critical defense technology areas: (1) \$20,000,000 for the Defense Advanced Research Projects Agency [DARPA] initiative in concurrent engineering; (2) \$21,000,000 for high temperature superconductor manufacturing technology; (3) \$5,000,000 for smart skin radar manufacturing technology; (4) \$15,000,000 for single-pulse excimer laser research; (5) a classified program increase; (6) \$15,000,000 for advanced semiconductor materials technology activities; (7) \$5,000,000 for simulation and training technology transfer activities; and (8) \$3,500,000 for plasma arc/ferrochromium technology activities.

The Committee also recommends bill language to ensure that the Concurrent Engineering Initiative is fully funded and that the simulation/training technology transfer and plasma arc/ferrochromium technology recommendations are implemented.

The appropriation of \$15,000,000 for advanced semiconductor materials will expand research in technologies associated with advanced semiconductor materials, superconducting materials, advanced composites, microelectronics, and optoelectronics.

The Committee recommends an appropriation of \$5,000,000 for simulation and training technology transfer activities because the Defense Department spends considerable amounts annually on research and development of training technologies, simulation/stimulation systems and actual courses, which have both military and civilian applications.

The Committee believes that the Department should encourage communications and information transfer between the armed services and

the academic, commercial, and DOD laboratory communities, and promote real technology transfer for training.

The Committee intends for the \$5,000,000 to support these activities through the involvement of an existing center of expertise selected by the Defense Department and within an American university system.

The organization selected to receive Department of Defense support should have a strong base of experience in training and simulation technology transfer that can be quickly mobilized to meet the technology transfer needs of the Department of Defense, should be receiving support for training and simulation technology activities from a State and from industry sources, and should have facilities, training, and simulation technology research equipment and a full-time multidisciplinary staff that includes scientists, engineers, and experts in other appropriate technical and professional disciplines.

The Committee also requests the Secretary of Defense to submit to Congress, not later than April 15, 1989, a report containing a description of the progress made in increasing the transfer of training and simulation technology within the Department of Defense as a result of this recommendation.

The recommendation of \$3,500,000 under the national defense stockpile transaction fund for critical and strategic materials research and facilities for plasma arc smelting technology is to develop a domestic alternative to the United States current high import dependence for ferrochromium alloy. Such a domestic alternative would sustain the availability of this essential alloy which is vital to our national security. The Committee believes that a cost sharing by industry of future requirements for technology advancements in ferrochromium production should be considered.

Finally, in recommending these increases, the Committee is aware that DARPA has advanced manufacturing activities within several program elements in the Defense Agencies' RDT&E account of the Department of Defense budget request. The Committee recommends that DOD establish a separate program element within DARPA which consolidates that agency's advanced manufacturing activities. Furthermore, the Defense Department is expected to integrate this program within the 5-year defense planning process so that advanced manufacturing concepts and associated technologies receive the emphasis required.

Optoelectronics materials research and development.—According to the Institute of Electrical and Electronic Engineers, the Department of Defense should increase its commitment to the optoelectronics and photonics sector of our defense technology base. DOD funding for research and development is essential if we are to establish and maintain an advantage in a field with dramatically increasing significance for defense systems. In the Committee's view such funding should be used to promote a university program with demonstrated capabilities for pursuing optoelectronics and photonics research to meet DOD needs. The program should attempt to maximize the involvement of industry and Government laboratories in a synergistic overall effort.

Therefore, the Committee includes an appropriation of \$14,500,000 in the fiscal year 1989 budget for the Office of the Director of Defense Research and Engineering for the establishment of an optoelectronics materials center at a major university, and for associated facilities.

Environmental hazard research.—The Committee recommends an addition of \$16,500,000 to the budget request and an equal amount above the House allowance to complete a program begun last year to expand research into bioenvironmental impacts of defense activities. The Committee also includes bill language to implement this recommendation.

Air defense initiative [ADI].—The Committee recommends an appropriation of \$153,574,000, a reduction of \$60,000,000 from the budget request and \$20,000,000 below the House allowance, for this program to develop advanced surveillance and targeting/engagement capabilities for an improved air defense of the Continental United States [Conus].

The Committee's recommendation reduces ADI's fiscal year 1989 funding by \$10,000,000 below the amount expected to be authorized for the following reasons: (1) the cost estimates of the programs's Air Force component are based partially on nonevaluated cost estimates, the least reliable budgeting category; (2) preliminary ADI architecture studies are not complete to identify the overall, initial directions of the program for Congress to evaluate; (3) a portion of the program's Navy component may be duplicative of other technology efforts among the services; (4) the relationship between ADI and other aerial surveillance/target engagement programs, such as the AWACS radar upgrade and a possible airship effort in DARPA, need to be better defined and reconciled within DOD and to Congress.

The Committee expects OSD to address all these considerations in the report mandated earlier by the Committee in its discussion of the AWACS radar upgrade program.

Lighter than air technology.—The Committee recommends that \$6,561,000 in unobligated fiscal year 1988 funds in the Naval Airship program be transferred from the Navy to DARPA to assess options for conducting an airship prototyping program beginning in fiscal year 1990 to investigate airships which could make cost-effective contributions to the fleet air defense and Continental United States air defense missions.

To assist DARPA's assessment of airship program options, the Committee expects the Secretaries of the Air Force and the Navy to define for DARPA the operational requirements—including size and sensor suites—for airships to meet each service's mission, and requires that any prototype design DARPA develops be of an operationally-useful size for carrying a variety of different sensors for both the fleet air defense and CONUS air defense missions.

The Committee recommends that OSD include the results of DARPA's assessments in the report that has been mandated previously regarding the AWACS aircraft radar upgrade and the Air Defense Initiative. The Committee intends that the required report will provide recommendations as to which combination of programs—including

AWACS radar upgrades, airships, and ADI technologies—best meets fleet air defense and CONUS air defense needs.

Strategic Defense Initiative [SDI].—The Committee recommends an appropriation of \$3,717,000,000, a reduction of \$804,121,000 to the budget request and \$534,000,000 above the House allowance for SDI. The reduction complies with the expected authorization conference agreement on SDI.

Also recommended is bill language requiring minimum funding levels for certain high priority projects within SDI: \$175,000,000 for the boost surveillance and tracking system [BSTS]; \$202,000,000 for the exoatmospheric reentry-vehicle interceptor system [ERIS]; \$150,000,000 for the high endoatmospheric defense interceptor [HEDI] system; \$200,000,000 for the advanced launch system [ALS], of which \$96,500,000 shall be transferred to the National Aeronautics and Space Administration [NASA] for ALS propulsion activities; \$105,000,000 for the Neutral Particle Beam Program; \$29,000,000 for medical technologies, of which \$18,000,000 is for the medical free electron laser, \$2,000,000 is for miniature, diagnostic proton accelerators, and \$9,000,000 is for medical excimer laser-associated activities; and \$17,000,000 for gallium arsenide integrated circuit technology.

The recommended bill language also requires that all the funds in the ALS program be subject to the terms and conditions established in the Supplemental Appropriations Act, 1987, the Department of Defense Appropriations Act, 1988, the joint explanatory statements of the committees of conference for both statutes, the President's January 4, 1988 ALS Report to Congress, the March 9, 1988 agreement between the Air Force and the Committee on Appropriations, and the March 1, 1988 program plan for ALS liquid rocket propulsion and propulsion focused technology (signed by the Air Force ALS Program Manager and the NASA Manager of the ALS propulsion task team).

The classified annex to the Committee's report contains additional guidance regarding SDI's funding allocations.

As discussed in the RDT&E introduction, the Committee also is recommending bill language which transfers \$114,900,000 from SDI to the Army for theater missile defense activities.

The Committee also wishes to express its concern about the possibility of cost growth in SDI's Zenith Star experiment and urges the Secretary of Defense to highlight in the fiscal year 1990 budget request whatever special procedures he is considering to constrain cost growth in this project.

The Committee further urges the Secretary of Defense to require that the threat projections and Red Team analyses used to project and assess Soviet countermeasures to SDI are as independent and comprehensive as possible, and that executive branch efforts to analyze and test potential Soviet SDI countermeasures be fully funded.

Recognizing the unique defense and nonmilitary technologies being developed in SDI, the Committee encourages the SDI Organization, NASA, and the Department of Energy to find an acceptable means of

funding continued development of the Dynamic Isotope Power System [DIPS] Technology.

The Committee also expects the Secretary of Defense to submit within 60 days of enactment of the fiscal year 1989 defense appropriations act, but no later than January 31, 1989, a comprehensive report on whether and how the SDI program is being restructured in response to the May, 1988 recommendations by the Defense Science Board Task Force Subgroup on Strategic Air Defense (SDI Milestone Panel), along with the full cost, schedule and technological risk implications of any program restructuring.

In the medical technologies component of SDI, the Committee is encouraged by progress in the medical free electron laser research and recommends including historically black colleges and universities and minority institutions in the research effort. The SDI organization should determine the appropriate level of participation by these institutions and report the results of their involvement to the Committee.

Finally, the Committee expects that the \$9,000,000 allocated for medical excimer laser technology activities will be available on a one time basis only for a new laser research program developed, in part, out of collaboration between a government-funded jet propulsion laboratory concentrating on defense projects and a major urban medical center with an already-established, substantial medical excimer laser technology research program using a long-pulse magnetically switched excimer laser.

Experimental evaluation of major innovative technology [EEMIT].— The Committee recommends an appropriation of \$162,046,000, a reduction of \$63,000,000 from the budget request and \$72,754,000 below the House allowance for this DARPA program.

The reduction denies \$20,000,000 requested for fiscal year 1989 for the enhanced fighter maneuverability [EFM] project to terminate this effort. Another \$37,000,000 in requested fiscal year 1989 funds are denied because an equal amount of fiscal year 1988 funds associated with the EFM project remains unobligated, and the Committee intends that these funds be carried forward to finance militarily valid EEMIT projects in the next fiscal year.

The Committee concludes that the EFM project should be terminated because it has experienced 100 percent cost growth since November, 1987, and because the technologies to be developed by it have very limited applicability, if any, to projected U.S. fighter aircraft programs. In addition, the Committee strongly disagrees with the fact that the major beneficiary of the project, the Federal Republic of Germany, is paying less than one-third of project costs, and will use the technologies to help develop the new European fighter aircraft [EFA] as a competitor to overseas sales of U.S. combat aircraft.

The remaining \$6,000,000 denied for the EEMIT program represents the amount sought for an advanced cruise missile technology project developing cruise missile propfan engine technology. For reasons articulated previously in this report, the Committee recommends the transfer

of this project from DARPA to OSD's Joint Standoff Weapons Program.

Balanced technology initiative [BTI].—The Committee recommends an appropriation of \$301,000,000, an increase of \$63,100,000 to the budget request and \$201,100,000 above the House allowance, for this program to enhance the exploitation of advanced technologies to improve the capabilities of United States and allied conventional forces.

The Committee's recommendation fully funds the expected authorization for BTI, with the exception of \$8,600,000 for the autonomous guidance for conventional weapons project and of \$3,300,000 for the cruise missile advanced guidance project. As stated before, the Committee believes these projects should be funded in OSD's joint standoff weapons program, to which they have been transferred.

National security-related space activities.—The Committee recommends bill language transferring \$400,000,000 from the Defense Agencies to the National Aeronautics and Space Administration for national security-related space activities. The Committee believes that maintaining a robust space transportation capability is in the national security interest.

Consolidated DOD software initiatives.—The Committee recommends an appropriation of \$45,320,000, an increase of \$8,200,000 above the budget request and \$18,995,000 below the House allowance, to restore funding for the Department of Defense Software Engineering Institute to the level projected for fiscal year 1989 in the fiscal year 1988 budget request.

Joint Standoff Weapons [JSOW] Program.—The Committee recommends an appropriation of \$72,804,000, an increase of \$56,904,000 above the budget request. The increase consists of funds transferred from several separate Air Force and Defense Agencies programs to the joint program to eliminate duplication and improve coordination among standoff weapons programs. The House allowance contained no funds for the program.

The consolidated programs include: (1) the advanced interdiction weapons system (AIWS) and the modular standoff weapons system [MSOW], which were the two efforts to be funded in the JSOW program's original fiscal year 1989 budget request of \$15,900,000; (2) the long-range conventional cruise missile (\$50,000,000); (3) the strategic conventional standoff capability weapon, or HAVE NAP (\$10,000,000); (4) the autonomous guidance for conventional weapons project (\$8,600,000); (5) the cruise missile advanced guidance project (\$5,104,000); (6) the advanced cruise missile technology prophan engine project (\$6,000,000); (7) a second prophan engine technology project from the Air Force's Engine Model Derivative Program (\$400,000); and, (8) the tactical laser radar seeker (\$1,800,000).

The request for \$50,000,000 for the long-range conventional cruise missile was reduced to \$25,000,000 because of duplication with other programs.

Joint Remotely Piloted Vehicle [RPV] Program.—The Committee denies the fiscal year 1989 budget request of \$34,766,000 because the request lacks adequate justification and rationale due to OSD's failure to submit, in a timely manner, the updated and expanded RPV Master Plan required by Congress. In addition, due to the failure to submit this plan, \$50,291,000 in fiscal year 1988 funds for the joint RPV program remain unobligated. Since fiscal year 1988 is almost over, the Committee believes these funds are sufficient to support RPV development efforts through fiscal year 1989.

The Committee is particularly concerned over OSD's inability to submit the RPV master plan in a timely manner, especially since the proliferation and lack of coordination among RPV programs noted by the Committee last year appears to be continuing under the NATO Cooperative Testing and Foreign Weapons Evaluation Programs. The Committee urges the Department of Defense to undertake more aggressive efforts to eliminate duplication in RPV development and testing in order to more effectively utilize funds in the fiscally-constrained budget environment.

The House allowance contains the budget request for the joint program.

NATO R&D.—The Committee recommends an appropriation of \$200,598,000, the same amount as the budget request but \$100,598,000 above the House allowance, for this program to encourage jointly-funded, codevelopment programs between the United States and its major allies.

The Committee is concerned that the laudable purposes of this program are being undercut by an apparent lack of adequate coordination and priority-setting between projects it funds and programs funded within the individual service budgets. This condition could lead to a costly duplication of effort instead of the more cost-effective joint RDT&E envisioned when the NATO R&D program began.

Furthermore, the Committee is disturbed that the unique administrative procedures inherent in defining codevelopment programs and negotiating international cooperation agreements may deprive Congress of sufficient oversight of these projects until after the U.S. assumes binding obligations. Under these conditions, Congress's ability to assess the validity of the projects for which it appropriates funds, and to influence their composition and direction in the same manner as United States-only military programs are monitored, is seriously diminished.

Significant examples of this two-fold problem are the Air Force and Navy tactical aircraft improvement programs now being considered for NATO R&D funding for both fiscal year 1988 and fiscal year 1989. These two development initiatives—improvements to the Navy's F/A-18 fighter, and to the Air Force's F-16 fighter under the Agile Falcon program—represent new program starts which could lead to substantial U.S. expenditures. The Committee has been informed that F/A-18 upgrade costs in the NATO R&D program are projected at \$42,800,000 for fiscal year 1988 and \$76,700,000 for next fiscal year.

F-16 Agile Falcon costs initially appear more modest—\$5,000,000 this fiscal year and \$7,500,000 in fiscal year 1989.

These NATO R&D initiatives are being proposed while the Navy and the Air Force are beginning multi-billion-dollar programs to develop and deploy the advanced tactical aircraft [ATA] and the advanced tactical fighter [ATF]. The relationships of all these programs to each other—whether complementary or duplicative—have not been adequately demonstrated by the Defense Department.

To give OSD the opportunity to demonstrate these relationships, the Committee requires that no NATO R&D funds, or any service-budgeted funds, for either fiscal year may be obligated or expended for the F/A-18 upgrade or F-16 Agile Falcon programs before March 31, 1989. In the interim period of time, the Committee expects OSD to submit, with the fiscal year 1990 budget request, a report detailing how the two NATO initiatives are fully coordinated with ATF, ATA, and other tactical aircraft programs, and are affordable and militarily-cost effective, and will include significant, already committed, allied cost-sharing described in the report.

Critical technology analysis.—The Committee recommends an appropriation of \$29,100,000, an increase of \$24,700,000 above the budget request and the House allowance. The Committee recommendation deletes \$2,300,000 for the Defense Technology Analysis Office, since at least two of the major programs this office was overseeing have been transferred to DARPA, and includes an increase of \$27,000,000 for x-ray lithography RDT&E.

Infrared [IR] focal plane array.—The Committee recommends an appropriation of \$5,000,000, a reduction of \$18,589,000 to the budget request, and the same amount below the House allowance. The Committee notes that, since last November, this program has experienced significant total cost growth, from \$225,000,000 to \$348,000,000, despite the fact that the weapons programs needing less expensive IR focal plane arrays are being delayed. The Committee recommends OSD reassess the program, due to the changing timetables for these weapons systems and the likely fiscal constraints in the future, and report its findings in the fiscal year 1990 budget request.

Defense Nuclear Agency [DNA].—In recognition of its charter to pursue solutions to tactical nonnuclear defense problems, DNA continues to identify pulsed power applications that may be force multipliers on the conventional battlefield. The Committee is aware that the continued development of these technologies could make a meaningful contribution in the areas of mine/countermine, armor/anti-armor and high power microwave systems. Accordingly, DNA should consider expanding its allocation of resources to these applications as long as this expansion does not interfere with the agency's ability to perform its nuclear-related missions.

Chemical Weapons Convention Compliance Monitoring Program.—The Committee is concerned that the executive branch has paid insufficient attention to the problems and complexities of monitoring

compliance with chemical weapons arms control conventions, and that a more focused program in this area needs to be given greater consideration.

Accordingly, the Committee expects the Department of Defense to submit, with the fiscal year 1990 budget request, a well-defined program designed to support, directly, the U.S. negotiating effort in chemical weapons arms control negotiations, including a specific schedule and annual costs for developing such capabilities as soon as possible.

Classified programs.—The Committee recommends an appropriation of \$1,168,121,000, a reduction of \$10,000,000 to the budget request and \$12,137,000 below the House allowance, for classified Intelligence and Communications programs in the Defense Agencies. This recommendation is explained in the classified annex to this report.

House actions not agreed to.—The Committee disagrees with the following recommendations contained in the House allowance:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Change from budget
Defense research sciences	89,492	84,240	89,492	
In-house laboratory/indep. research	2,070	2,633	2,070	
Adv submarine technology		114,000		
Adv ASW technology		40,000		
Technology exploitation		4,000		
Physical security (exp)		10,000		
Physical security (adv)		13,000		
Physical security (eng)		17,000		
Advanced special operations research, development, and acquisition	8,862	18,862		
Joint AAM technology dev		60,000		
Management headquarters (R&D)	15,497	13,420	15,497	
Foreign weapons evaluation	12,864	17,864	12,864	
OT&E capability improvement	121,166		121,166	
SDS T&E organization	10,000		10,000	

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

1988 appropriation	182,116,000
1989 budget estimate	166,900,000
House allowance	155,900,000
Committee recommendation	146,587,000

The Committee recommends an appropriation of \$146,587,000, a reduction of \$20,313,000 from the budget request for developmental test and evaluation. The House allowance provided \$155,900,000, a reduction of \$9,313,000 to the budget request.

Space system test capabilities.—The Committee recommends an appropriation of \$1,500,000, a reduction of \$500,000 to the budget request and the same amount below the House allowance to maintain this study effort at the fiscal year 1988 level.

NATO cooperative development testing.—The Committee recommends an appropriation of \$39,000,000, a reduction of \$3,813,000 to the budget request and the same amount below the House allowance. The

Committee believes this program to be duplicative of R&D efforts currently underway by the U.S. military, such as in remotely-piloted vehicles and their sensors and diesel tank engines. The reduction returns the program's funding to the fiscal year 1987 level until OSD is more effective at eliminating such overlap.

Development/test and evaluation.—The Committee recommends an appropriation of \$51,137,000, a reduction of \$16,000,000 to the budget request and the same amount as the House allowance. This reduction transfers these funds into a joint simulator development program in OSD to eliminate duplication among services in the development of threat simulators.

OPERATIONAL TEST AND EVALUATION, DEFENSE

1988 appropriation	\$70,221,000
1989 budget estimate.....	143,400,000
House allowance.....	12,234,000
Committee recommendation	143,400,000

The Committee recommends an appropriation of \$143,400,000, the full budget request, to continue the program to improve the operational testing capabilities of the Department of Defense.

The House allowance provided \$12,234,000, a decrease of \$131,166,000 to the budget request.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
RESEARCH DEVELOPMENT TEST & EVAL DEF AG					
TECHNOLOGY BASE					
DEFENSE RESEARCH SCIENCES.....	89,492	84,240	89,492	---	+5,252
IN-HOUSE LABORATORY INDEPENDENT RESEARCH.....	2,070	2,633	2,070	---	-563
UNIVERSITY RESEARCH INITIATIVES.....	95,000	95,000	95,000	---	---
DEFENSE UNIVERSITY RESEARCH INSTRUMENTATION PROGRAM...	---	---	---	---	---
TECHNICAL STUDIES.....	1,800	1,800	1,800	---	---
STRATEGIC TECHNOLOGY.....	227,640	252,361	352,140	+124,500	+99,779
TACTICAL TECHNOLOGY.....	116,871	116,871	116,871	---	---
PARTICLE BEAM TECHNOLOGY.....	14,000	14,000	14,000	---	---
INTEGRATED COMMAND AND CONTROL TECHNOLOGY.....	33,360	33,360	33,360	---	---
MATERIALS AND ELECTRONICS TECHNOLOGY.....	20,540	20,540	20,540	---	---
NUCLEAR MONITORING.....	22,600	37,600	22,600	---	-15,000
DEFENSE NUCLEAR AGENCY.....	346,848	314,289	321,885	-24,963	+7,596
MAPPING, CHARTING AND GEODESY.....	---	---	---	---	---
ENVIRONMENTAL HAZARD RESEARCH.....	---	---	16,500	+16,500	+16,500
CASSET.....	---	---	---	---	---
ADV SUBMARINE TECH.....	---	114,000	---	---	-114,000
ADV ASW TECH.....	---	40,000	---	---	-40,000
AUTONOMOUS VEHICLE.....	---	---	---	---	---
TECH EXPLOITATION.....	---	4,000	---	---	-4,000
CLASSIFIED PROGRAM.....	---	54,000	---	---	-54,000
PHYSICAL SECURITY (EXP).....	---	10,000	---	---	-10,000
PHYSICAL SECURITY (ADV).....	---	13,000	---	---	-13,000
PHYSICAL SECURITY (ENG).....	---	17,000	---	---	-17,000
LIGHTER THAN AIR TECHNOLOGY (DARPA).....	---	30,000	---	---	-30,000
OPTOELECTRONIC MATERIALS R&D.....	---	---	14,500	+14,500	+14,500
TOTAL, TECHNOLOGY BASE.....	970,221	1,254,694	1,100,758	+130,537	-153,936
ADVANCE TECHNOLOGY DEVELOPMENT					
STRATEGIC DEFENSE INITIATIVE (SDI).....	4,521,121	3,183,000	3,717,000	-804,121	+534,000
SDI-SURVEILLANCE, ACQUISITION, TRACKING AND KILL..	(1,124,625)	(1,124,625)	(1,124,625)	---	---
SDI-DIRECTED ENERGY WEAPONS.....	(1,029,894)	(1,029,894)	(1,029,894)	---	---
SDI-KINETIC ENERGY WEAPONS.....	(936,294)	(936,294)	(936,294)	---	---
SDI-SYSTEMS CONCEPTS AND BATTLE MANAGEMENT/CS.....	(639,894)	(639,894)	(639,894)	---	---
SDI-SURVIVABILITY, LETHALITY, AND KEY SUPPORT TECH	(790,414)	(790,414)	(790,414)	---	---
SDI-GENERAL REDUCTION.....	---	(-1,338,121)	---	---	(+1,338,121)
JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT.....	7,716	---	20,000	+12,284	+20,000
EXPERIMENTAL EVALUATION OF MAJOR INNOVATIVE TECH.....	225,046	234,800	162,046	-63,000	-72,754
RELOCATABLE TARGET DETECTION TECHNOLOGY PROGRAM.....	15,400	15,400	15,400	---	---
SPECIAL OPERATIONS, SPECIAL TECHNOLOGY OFFICE.....	---	---	---	---	---
COUNTER-INSURGENCY AND SPECIAL TECHNOLOGY.....	---	---	---	---	---
MICROWAVE/MILLIMETER WAVE MONOLITHIC INTEGRATED CIR..	67,064	67,064	67,064	---	---
COMPUTER AIDED LOGISTICS SUPPORT.....	11,582	11,582	11,582	---	---
BALANCED TECHNOLOGY INITIATIVE.....	238,000	100,000	301,100	+63,100	+201,100
COOPERATIVE DOD/VA MEDICAL RESEARCH.....	---	20,000	---	---	-20,000
RACER.....	---	---	---	---	---
CONSOLIDATED DOD SOFTWARE INITIATIVES.....	37,120	64,315	45,320	+8,200	-18,995
COMMAND AND CONTROL RESEARCH.....	2,371	2,371	2,371	---	---
ADVANCED TORPEDO PROGRAM.....	---	---	---	---	---
HYPERSONIC WEAPON TECHNOLOGY.....	---	---	---	---	---
FORCE ENHANCEMENTS-ACTIVE.....	10,405	10,405	10,405	---	---
ADV SPECIAL OPERATIONS RESEARCH, DEVELOP AND ACD.....	8,862	18,862	8,862	---	-10,000
ADV TECH TACTICAL TRANSPORT.....	---	---	---	---	---
TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT.....	5,144,687	3,727,799	4,361,150	-783,537	+633,351

[In thousands of dollars]

	Budget estimate	House allowance	Committee recom- mendation	Senate compared to—	
				Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)
STRATEGIC PROGRAMS					
ISLAND SUM.....	57,018	57,018	57,018	---	---
AIR DEFENSE INITIATIVE.....	213,574	173,574	153,574	-60,000	-20,000
NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT.....	5,691	5,691	5,691	---	---
MMCCS SYSTEMS ENGINEER.....	18,534	18,534	18,534	---	---
MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK....	9,785	9,785	9,785	---	---
TOTAL, STRATEGIC PROGRAMS.....	304,602	264,602	244,602	-60,000	-20,000
TACTICAL PROGRAMS					
JOINT STANDOFF WEAPONS PROGRAM.....	15,900	---	72,804	+56,904	+72,804
JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	62,076	62,076	62,076	---	---
CINC C2 INITIATIVES.....	1,883	1,883	1,883	---	---
C3 INTEROPERABILITY (JOINT TACTICAL C3 AGENCY).....	60,264	60,264	60,264	---	---
MANAGEMENT HEADQUARTERS (JOINT TACTICAL C3 AGENCY)....	6,363	6,363	6,363	---	---
JOINT REMOTELY PILOTED VEHICLES PROGRAM.....	34,766	34,766	---	-34,766	-34,766
JOINT AAM TECHNOLOGY DEVELOPMENT.....	---	60,000	---	---	-60,000
TOTAL, TACTICAL PROGRAMS.....	181,252	225,352	203,390	+22,138	-21,962
INTELLIGENCE & COMMUNICATIONS					
MAPPING, CHARTING, GEODESY INVESTIGATIONS.....	5,424	5,424	5,424	---	---
MAPPING, CHARTING, AND GEODESY ENGINEERING DEV.....	1,380	1,380	1,380	---	---
LANDSAT.....	---	---	---	---	---
LONG-HAUL COMMUNICATIONS (DCS).....	18,272	18,272	18,272	---	---
SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM.....	3,928	3,928	3,928	---	---
DMA EXPLOITATION MODERNIZATION PROGRAM.....	293,317	293,317	293,317	---	---
AIRBORNE RECONNAISSANCE SUPPORT PROGRAM.....	98,561	98,561	98,561	---	---
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES.....	3,000	3,000	3,000	---	---
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES.....	38,206	38,206	38,206	---	---
CLASSIFIED PROGRAMS.....	1,178,121	1,180,258	1,168,121	-10,000	-12,137
TOTAL, INTELLIGENCE & COMMUNICATIONS.....	1,640,209	1,642,346	1,630,209	-10,000	-12,137
DEFENSEWIDE MISSION SUPPORT					
SEMICONDUCTOR MANUFACTURING TECHNOLOGY.....	44,785	100,000	44,785	---	-55,215
MATO RESEARCH AND DEVELOPMENT.....	200,598	100,000	200,598	---	+100,598
TECHNICAL SUPPORT TO USD(A).....	18,467	18,467	17,567	-900	-900
GENERAL SUPPORT FOR PAIE.....	2,353	2,353	2,213	-140	-140
GENERAL SUPPORT FOR POLICY.....	5,747	5,747	5,556	-191	-191
GENERAL SUPPORT FOR NET ASSESSMENT.....	3,812	3,812	3,570	-242	-242
GENERAL SUPPORT FOR FMIP.....	1,631	1,631	1,555	-76	-76
TECHNICAL SUPPORT TO USD(A)--CRITICAL TECHNOLOGY.....	3,968	3,353	3,224	-744	-129
RAND NATIONAL DEFENSE RESEARCH INSTITUTE.....	17,531	17,531	17,531	---	---
BLACK LIGHT.....	3,600	3,600	3,600	---	---
GENERAL SUPPORT TO C3I.....	2,568	2,568	2,391	-177	-177
FOREIGN MATERIAL ACQUISITION AND EXPLOITATION.....	10,363	10,363	10,363	---	---
GENERAL SUPPORT FOR PML.....	2,865	2,865	2,598	-267	-267
CRITICAL TECHNOLOGY ANALYSIS.....	4,400	4,400	29,100	+24,700	+24,700
DEFENSE TECHNICAL INFORMATION CENTER.....	23,824	23,824	21,000	-2,824	-2,824
INFORMATION ANALYSIS CENTERS.....	5,200	5,200	5,200	---	---
PRODUCTIVITY INVESTMENTS.....	---	---	---	---	---
MANAGEMENT HEADQUARTERS (SDI).....	24,790	---	21,000	-3,790	+21,000
MANAGEMENT HEADQUARTERS (R & D).....	15,497	13,420	15,497	---	+2,077
INFRARED FOCAL PLANE ARRAY.....	23,589	23,589	5,000	-18,589	-18,589

[in thousands of dollars]

	Budget estimate (1)	House allowance (2)	Committee recom- mendation (3)	Senate compared to—	
				Budget estimate (4)	House allowance (5)
INDUSTRIAL PREPAREDNESS.....	10,800	10,800	10,800	---	---
TECHNOLOGY SECURITY FUNCTIONS.....	441	441	441	---	---
TOTAL, DEFENSEWIDE MISSION SUPPORT.....	426,829	353,964	423,589	-3,240	+69,625
UNDISTRIBUTED REDUCTION - STUDIES & ANALYSIS.....	---	---	---	---	---
CIVILIAN HQ REDUCTIONS.....	---	---	---	---	---
CIVILIAN PERSONNEL OVERHEAD SAVINGS.....	---	---	---	---	---
XRAY LITHOGRAPHY.....	---	---	---	---	---
GENERAL REDUCTION.....	---	---	---	---	---
HIGH TEMPERATURE SUPERCONDUCTING PROGRAM.....	---	---	---	---	---
FERS ADJUSTMENT.....	---	---	---	---	---
CENTER FOR COMPOUND SEMICONDUCTOR TECH.....	---	---	---	---	---
CENTER FOR ADV COMPOUND SEMICONDUCTOR TECH.....	---	---	---	---	---
SIMULATION AND TRAINING TECHNOLOGY.....	---	---	---	---	---
PLASMA ARC/FERROCHROMIUM TECHNOLOGY.....	---	---	---	---	---
OSD CLOSE AIR SUPPORT.....	---	---	---	---	---
EXTENDED AIR DEFENSE.....	---	---	---	---	---
THREAT SIMULATOR DEVELOPEMENT.....	---	---	60,000	+60,000	+60,000
PRODUCT EVALUATION ACT.....	---	---	---	---	---
DARPA MANTECH.....	---	---	---	---	---
OPTOELECTRONIC MATERIALS.....	---	---	---	---	---
CENTER FOR ADVANCED TECHNOLOGIES.....	---	---	---	---	---
NATIONAL SECURITY-RELATED SPACE ACTIVITIES.....	---	---	400,000	+400,000	+400,000
GENERAL INCREASE.....	---	---	---	---	---
UNDISTRIBUTED REDUCTION.....	---	---	---	---	---
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL DEF AG.....	8,667,800	7,468,757	8,423,698	-244,102	+954,941

TITLE V

REVOLVING AND MANAGEMENT FUNDS

1988 appropriation	\$881,214,000
1989 budget estimate	763,500,000
House allowance	1,139,500,000
Committee recommendation	668,500,000

The Committee recommends appropriations totaling \$668,500,000 in title V, revolving and management funds, for fiscal year 1989. This is \$95,000,000 below the budget estimate and \$471,000,000 less than the House allowance.

Stock fund appropriations provide for the purchase of war reserve material and augmentation of peacetime operating stock. The stock funds of the respective military services are financial vehicles for the purchase of such material. A portion of these stock-funded items which are consummable in nature—repair parts, clothing, and other expendable material—are held for use in the event of an outbreak of hostilities. The bulk of the material is stocked for normal peacetime use.

COMMITTEE RECOMMENDATIONS

The following are the Committee recommendations by account:

ARMY STOCK FUND

1988 appropriation	\$193,207,000
1989 budget estimate	321,900,000
House allowance	321,900,000
Committee recommendation	271,900,000

The Committee recommends appropriations of \$271,900,000. This is \$50,000,000 below the budget request and the House allowance.

NAVY STOCK FUND

1988 appropriation	\$329,400,000
1989 budget estimate	204,700,000
House allowance	204,700,000
Committee recommendation	184,700,000

The Committee recommends appropriations of \$184,700,000. This is \$20,000,000 below the budget request and the House allowance.

AIR FORCE STOCK FUND

1988 appropriation	\$226,007,000
1989 budget estimate	206,900,000
House allowance	206,900,000
Committee recommendation.....	186,900,000

The Committee recommends appropriations of \$186,900,000. This is \$20,000,000 below the request and the House allowance.

DEFENSE STOCK FUND

1988 appropriation	\$132,600,000
1989 budget estimate	30,000,000
House allowance	30,000,000
Committee recommendation.....	25,000,000

The Committee recommends appropriations of \$25,000,000. This is \$5,000,000 below the request and the House allowance.

FOREIGN CURRENCY FLUCTUATION, DEFENSE

1988 appropriation	
1989 budget estimate	
House allowance	\$376,000,000
Committee recommendation.....	

The Committee does not recommend new appropriations for Foreign Currency Fluctuation, Defense. This is consistent with the budget request, but is \$376,000,000 below the House allowance. The committee recommendation is explained in the operation and maintenance summary

TITLE VI

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

1988 appropriation	\$198,500,000
1989 budget estimate.....	162,900,000
House allowance.....	375,400,000
Committee recommendation.....	179,500,000

The Committee recommendation supports the Army's revised plan and schedule for the development, construction, and operation of facilities to dispose of existing stocks of unitary chemical munitions. The Committee extensively reviewed the report submitted by the Army addressing Congressional concerns in the 1988 National Defense Authorization Act and the 1988 Defense Appropriations Act. The Committee believes the report was responsive to the request, and evidenced significant progress in the development of the disposal plan over the past two years. The appropriation proposed by the Committee fully funds the initial disposal site in the United States, at the Tooele Army depot.

The Committee restates its support for the continued development of alternative technologies for the disposal of chemical munitions, particularly cyrofracture. The Army should proceed to design and develop a full scale proto-type cyrofracture facility, consistent with existing safety and environmental requirements. The Committee disagrees with the recommendation of the House to fully fund a cyrofracture facility for fiscal year 1989. The present design and initial testing of cyrofracture does not justify full funding at this time. The Committee expects the Army to include funding for the cyrofracture facility in both the military construction and procurement requests for fiscal year 1990.

The Committee further disagrees with the transfer proposed by the House of military construction funds to this title. Construction activity and funding is presently and should remain the responsibility of the Military Construction Subcommittees of the House and Senate Committees on Appropriations.

[in thousands of dollars]

	Fiscal year 1988—			Senate compared to—	
	Budget request	House allowance	Committee recommendation	Budget request	House allowance
Operation and maintenance.....	88,200	117,300	117,300	+ 29,100	
Procurement	74,000	127,400	44,300	- 29,700	- 73,100
Research and development.....	700	17,900	17,900	+ 17,200	
Construction		122,800			- 122,800
Total.....	162,900	375,400	179,500	+ 16,600	- 195,000

TITLE VII

RELATED AGENCIES

PAYMENT TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

1988 appropriation	\$134,700,000
1989 budget estimate	144,500,000
House allowance	144,500,000
Committee recommendation.....	144,500,000

The Committee recommends an appropriation of \$144,500,000 for the payment to the Central Intelligence Agency Retirement and Disability System Fund. The Committee recommendation concurs in the budget estimate and in the House allowance. It is an increase of \$9,800,000 over the fiscal year 1988 appropriation.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (Public Law 88-643, October 3, 1964) authorized the establishment of a Central Intelligence Agency retirement and disability system for a limited number of Agency employees and authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries. The fund finances the cost of: (1) interest on the unfunded liability, (2) annuities attributable to credit allowed for military services, (3) benefits not met by employee/employer contributions, and (4) the increase in unfunded liability resulting from liberalized benefits and Federal pay raises.

The benefits structure of this fund is similar to that of the civil service retirement system.

INTELLIGENCE COMMUNITY STAFF

1988 appropriation	\$23,057,000
1989 budget estimate	23,745,000
House allowance	23,645,000
Committee recommendation.....	23,745,000

The Committee recommends an appropriation of \$23,745,000 which is the same as the budget estimate and \$100,000 above the House allowance. Details of this recommendation are contained in the classified annex to this report.

DRUG INTERDICTION, DEFENSE

1988 appropriation	
1989 budget estimate	
House allowance	
Committee recommendation	\$199,060,000

The Committee recommends an increase of \$199,060,000 for Department of Defense drug interdiction activities. These funds are to be used in addition to ongoing drug interdiction operations that the Department of Defense conducts. The Office of Management and Budget estimates that the 1989 budget already provides \$98,000,000 for drug interdiction operations. The Committee's recommendation recognizes the important threat posed by the smuggling of illegal narcotics into the United States, and that the Department of Defense can make a greater contribution in helping interdict these shipments through aerial surveillance and maritime patrol in conjunction with Coast Guard operations.

The Committee recommends the creation of a new appropriation account, Drug Interdiction, Defense. This account should be administered in the manner of the Environmental Restoration, Defense, appropriation, with funds later transferred and merged with various appropriation accounts. Of the funds provided, \$10,000,000 is for Research, development, test and evaluation, \$40,000,000 is for Military personnel, and \$149,060,000 is for Operation and maintenance. The specific drug interdiction operations and appropriation accounts to receive funding are displayed below:

Program description	Committee recommendation	Appropriation transferred to
E-3 AWACS operations for five aircraft	\$43,530,000	O&M, Navy
E-2C operations for eight aircraft	12,400,000	O&M, Air Force
Operations for eight Navy drug interdiction frigates	63,130,000	O&M, Navy
Army National Guard border surveillance	40,000,000	Military Personnel, Navy
ROTH radar	30,000,000	O&M, Army National Guard
	10,000,000	RDT&E, Navy

The Committee has included \$10,000,000 for the relocatable over the horizon radar [ROTHR], which the Committee believes can provide continuous surveillance of primary drug smuggling routes. This new technology may obviate the need to procure additional surveillance assets in the future.

SPECIAL OPERATIONS FORCES FUND

1988 appropriation	
1989 budget estimate	
House allowance	
Committee recommendation	\$868,500,000

The Committee recommends an appropriation of \$868,500,000, an increase to the budget, to provide funding for operation and maintenance and procurement requirements of Special Operations Forces. As described in the overview section of this report, this initiative meets

critical present day operational needs and funds the planned procurement of aircraft and support equipment mandated by Congress in creating the Special Operations Forces organization.

The following table details the Committee proposal:

[In thousands of dollars]

Operation and maintenance:	
Army.....	40,000
Navy.....	35,000
Total.....	75,000
Procurement, Air Force:	
AC-130U gunship.....	242,500
MC-130H transport.....	101,000
Total.....	343,500
Procurement, Army:	
MH-47E helo mods.....	100,000
Miscellaneous equipment.....	150,000
Total.....	250,000
Procurement, Navy:	
Patrol boats.....	100,000
Miscellaneous equipment.....	100,000
Total.....	200,000
Total SOF Initiative.....	868,500

The three aircraft procurement and modification programs proposed in this initiative are currently programmed for future procurement. Advancing this schedule to fiscal year 1989 assures expedited delivery to the special operations units, increased economies of scale when combined with the amount budgeted and recommended, and buys out the remaining requirements for the three programs. The miscellaneous procurement addresses the unique equipment requirements of the SOF, including programs described in the classified annex to this report. The procurement of patrol boats for the Navy meets existing operational requirements in the Persian Gulf and for other specialized missions.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

At the point when the Committee reports this measure, the conference on the fiscal year 1989 Defense Authorization Act is nearing completion. As a consequence, the Committee has acted in good faith in its attempt to comply fully with requirements stipulated under paragraph 7, rule XVI.

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

TITLE VIII

GENERAL PROVISIONS

In addition to provisions which have been discussed elsewhere in the report, the Committee recommends the following changes in the general provisions under title VIII of the accompanying bill:

Employment of experts and consultants.—The Committee concurs with the House in deleting a provision which limits expenditure for consulting service through a procurement contract to those contracts where such expenditures are a matter of public record. The budget requested deletion of this provision.

Reciprocal international real property and services.—The Committee agrees with the budget request to delete the portion of this provision which prohibits conversion of heating plants from coal to oil or natural gas at defense facilities in Europe. The House retains this provision. (Sec. 8009)

Buy American.—The Committee has amended the House provision in order to grant the State of Israel the same status and treatment as provided our NATO allies in regards to DOD procurement of specialty metals and chemical warfare protective clothing outside the United States for the purposes of complying with agreements with foreign governments. The budget requested deletion of certain items from the provision. (Sec. 8010)

Legislative liaison ceiling.—The legislative liaison provision is continued but the limitation is \$14,643,000 rather than \$15,000,000 as proposed by the House. The budget requested \$15,800,000. The Committee has also proposed amending the language to simplify the provision. (Sec. 8012)

Transfer authority.—Repeats annual provision authorizing general transfer authority, increasing the amount from \$1,500,000,000 to \$3,000,000,000. The House provided \$2,500,000,000. (Sec. 8014)

Coal.—The Committee, in agreement with the budget request, recommends deletion of the House provision prohibiting conversion of heating plants in Europe from coal to oil or to natural gas. (House Sec. 8016)

Special access program.—The Committee concurs with the House in retaining a provision requiring notification before initiating a special access program. The budget had requested its deletion. (Sec. 8016)

CHAMPUS—80th percentile of customary charges.—The Committee has retained the House provision limiting payment of CHAMPUS reimbursements to physicians to 80 percent of customary charges and has

amended it to tie future increases in CHAMPUS payments to the Medicare Economic Index. (Sec. 8018)

MWR activities military personnel ceiling.—The Committee has amended the House provision limiting the number of military personnel assigned to MWR activities. The Committee amendment caps personnel at 6,040 full-time and 1,570 part-time consistent with the budget justification material rather than the 9,901 full-time and 2,603 part-time requested in the budget and included in the House provision. (Sec. 8023)

Obligations incurred in anticipation of appropriation.—The Committee has deleted this provision, needed only during short-term continuing resolutions, in anticipation of early passage of the fiscal year 1989 Defense appropriations bill. The budget requested retention of the provision, and the House retained it. (House Sec. 8025)

Federal Republic of Germany claims.—The Committee agrees with the House in deleting this provision dealing with anticipatory claims to the Federal Republic of Germany. The budget requested its retention.

Multiyear procurement contracting.—The Committee continues the annual provision which outlines the required justification for approval of multiyear procurement contracts and also lists the programs which Congress approves for this fiscal year. The House has approved all multiyear requests except for the DMSP satellite. The Committee does not agree with the House denial and has approved the DMSP satellite request. In addition, the House's approval of the UHF follow-on satellite and CH/MH-53 helicopter multiyear request is not agreed to by the Committee. The budget had requested deletion of the provision. (Sec. 8029)

Buy American coal.—The Committee agrees with the House in retaining the provision requiring the Department of Defense to buy American coal for United States defense facilities in Europe. The budget requested deletion of the provision. (Sec. 8034)

Executive schedule positions.—The Committee agrees with the House in retaining a provision limiting the number of Executive Schedule positions in DOD to 39. The budget had requested deletion of the provision. (Sec. 8035)

AGR/technician floors.—The Committee has deleted the House provision setting a floor on the numbers of AGR's and technicians. The budget did not request its deletion. (House Sec. 8038)

Management of civilian personnel end strength.—This section has been deleted in the Committee recommendation in accordance with the budget. The House retained the provision. This issue is discussed in the operation and maintenance section of this report. (House Sec. 8039)

RDT&E pay costs.—The House bill contains language permitting the transfer of appropriations provided in the Department of Defense Appropriations Act 1989 from other accounts to the RDT&E accounts, if necessary, to meet increased civilian pay costs authorized by, or pursuant to, law. The Committee recommends deletion of this language because it understands that the budget request for fiscal year 1989 for RDT&E contains sufficient funds to finance the pay increase sought by

the Defense Department. The Committee also does not believe that the RDT&E accounts should be accorded any preferential treatment over the other appropriations accounts regarding the financing of statutorily mandated pay raises. The budget requested retention of the provision. (House Sec. 8040)

Eighteen-month limitation on leases.—Both the Committee recommendation and the House bill retain this provision. The budget had requested its deletion. (Sec. 8038)

Commissaries.—The Senate recommends a limitation on commissaries in the contiguous United States of 245, the number now in the United States, rather than 247 as contained in the House bill and the budget request. (Sec. 8039)

Civil air patrol.—The Committee agrees with the House in providing \$11,749,000 for the Civil Air Patrol instead of \$11,600,000 requested in the budget. (Sec. 8045)

Defense personnel support center, Philadelphia.—The Committee has deleted the House provision concerning contracting out at the Defense Personnel Support Center in Philadelphia. The budget requested deletion of this provision. (House Sec. 8056)

Education benefits/enlistment bonus.—The Committee agrees with the House in retaining a provision preventing a service member from receiving both an enlistment bonus and education benefits. The budget requested deletion of the provision. (Sec. 8052)

ADP equipment management fund.—The Committee has retained the House provision on the ADP equipment management fund but has deleted the House's provision of \$22,300,000 for the Army's tactical army combat service support computer systems. (Sec. 8057)

120 mm mortars and ammunition.—The Committee has retained the House provision prohibiting the procurement by the U.S. Army of foreign-made 120mm mortars and ammunition. The budget requested deletion of the provision. (Sec. 8059)

Organotin paint.—The Committee agrees with the House in retaining a provision prohibiting painting naval vessels with organotin paint. The budget requested deletion of this provision. (Sec. 8061)

Army depot maintenance.—The Committee has deleted the provision included by the House setting end-strength floors at Army depot maintenance centers. The budget agreed with the House. (House Sec. 8069)

Machine tools.—The Committee continues the annual provision which prohibits DOD from purchasing certain machine tools from other than United States or Canadian sources. The House has modified the provision to add three more categories of machine tools to be protected. The Senate does not agree with the House modification and has deleted the additional categories. (Sec. 8063)

ADP limitation.—The Committee and the House have retained a provision related to acquisition of major automated information systems. The budget had requested its deletion. (Sec. 8064)

Deadeye.—The Committee agrees with the House in prohibiting the additional procurement of the Navy's 5-inch guided projectile. (Sec. 8065)

Personnel services/pay raises.—The Committee has deleted the House provision that allows limitations in the bill to be increased for pay raises. The budget requested retention of the provision. (House Sec. 8073)

Chemical aversion therapy.—The Committee agrees with the House in retaining a provision directing DOD to conduct a demonstration project on the treatment of alcoholism by chemical aversion therapy. The budget requested deletion of the provision. (Sec. 8068)

CHAMPUS reform initiative.—The Committee has amended the House provision on the CHAMPUS reform initiative. (Sec. 8071)

DLA supervisors.—The Committee agrees with the House in retaining a provision relating to supervisors at the Defense Logistics Agency. The budget requested deletion. (Sec. 8072)

Army college fund.—The Committee agrees with the House in retaining a provision limiting access to the Army college fund to service members in combat arms skills. The budget requested deletion. (Sec. 8073)

Educational reenlistment option.—The Committee agrees with the House in retaining a provision relating to full-time students. (Sec. 8074)

Supercomputers.—The Committee agrees with the House in retaining a provision relating to purchase and availability of supercomputers. The budget requested deletion. (Sec. 8075)

Program, project, activity.—The Committee agrees with the House in retaining a provision which defines program, project and activity for purposes of the Balanced Budget Act. The budget requested deletion of the provision. (Sec. 8076)

Reserve component automation system.—The Committee modifies the House bill, as amended, providing specific guidelines for the procurement of a new administrative computer system for the Army National Guard and the Army Reserve. The Committee disagrees with the House prohibition on the procurement of mini- and microcomputers for the reserve component until the RCAS contract is awarded. The budget requested deletion of the provision. (Sec. 8077)

Fixed price contracts.—The Committee recommends deletion of the House provision pertaining to fixed price development contracts. This matter appeared to be headed toward resolution in the Defense authorization bill conference at the time of the Committee's markup. Pending the outcome of this issue, the Committee will withhold judgment on the issue until conference on the appropriations bill. (House sec. 8086)

Classified military projects in the United States.—The Committee agrees with the House in allowing \$35,000,000 for classified projects in the United States. The budget requests deletion of this provision. (Sec. 8079)

Naval aviation depots.—The Committee retains the House provision allowing public and private competition for aircraft modifications/manufacturing. It amends the provision to reflect the change in name from Naval Air Rework Facilities to Naval Aviation Depots. (Sec. 8080)

Toshiba/Kongsberg.—The Senate has deleted the House provision prohibiting procurement of goods or services from Toshiba Corporation or Kongsberg Vapenfabrik. The budget requested deletion. (House Sec. 8090)

Anchor chains.—The Committee recommends retention of the House provision which would prevent DOD from procuring anchor and mooring chains four-and-one-quarter inches in diameter and under from foreign sources but amends the provision to last year's limit of four-inch chains. The budget requests deletion of the provision. (Sec. 8081)

Prohibition on heating conversions in Europe.—The Committee has amended the House provision prohibiting conversions of heating systems outside the United States between October 1, 1988, and July 1, 1989. The Committee's recommendation asks for a report on benefits accruing to the Soviet Union from use of natural gas at American military facilities in Europe, the report to be submitted no later than July 1, 1989. (Sec. 8082)

Children's hospitals.—The Committee has amended the House provision on children's hospitals to allow the Department to begin utilizing DRG's upon certifying to both the House and Senate Appropriations Committees that the payment mechanism will reflect the uniqueness of these categories of care. The Committee further recommends that, until these DRG's are implemented, the Department shall continue to ensure that no individual family is required to pay more for care being provided than they would if the DRG methodology had been used. (Sec. 8083)

Toshiba.—The Committee has deleted the House's provision prohibiting sale of Toshiba products in commissaries and exchanges. The budget requested deletion of this provision. (House Sec. 8094)

F-109 engine.—The Committee has deleted the House provision which earmarks \$18 million for the F-109 engine developed for the T-46 aircraft. The budget requested deletion of the provision. (House Sec. 8095)

Technicians' reprogramming.—The Committee has deleted the House provision allowing transfer of prior year unobligated balances to O&M appropriations of the reserve components to provide military technician pay exemption from sequestration. The budget requested deletion of the provision. (House Sec. 8096)

Interport differential.—The Committee agrees with the House in retaining interport differential exemption for West Coast ship overhauls and repair contracts. The budget requests deletion. (Sec. 8084)

Foreign intelligence authorization.—The Committee amends the House provision to delete reference to the House version of the Intelligence Authorization Act. (Sec. 8085)

Repair of naval vessels in foreign shipyards.—The Committee recommends deletion of the House provision prohibiting overhaul, repair and maintenance of U.S. naval vessels in foreign shipyards. The budget requests deletion. (House Sec. 8098)

LANDSAT/SPOT.—The Committee agrees with the House provision which restricts DOD procurement of LANDSAT and SPOT satellite collected data to the Defense Mapping Agency. Provision precludes duplication of effort and ensures maximum pricing efficiencies for the Defense Department. (Sec. 8087)

4.2-inch mortar improvement.—The Committee has deleted a House provision which would prohibit procurement or product improvement of the current M-30 4.2-inch mortar or for the development or product improvement of 4.2-inch ammunition. (House Sec. 8102)

Advanced tactical aircraft avionics and joint avionics development.—The Committee recommends deletion of two House provisions relating to the use of common avionics in Navy and Air Force tactical aircraft. The Committee endorses the objective of incorporating common avionics into Army, Navy, and Air Force aircraft as soon as possible. However, it has reservations about the particular approach embodied in the House provisions.

The first provision governs incorporation of standard avionics specifications into the design of the Navy's Advanced Tactical Aircraft. The Committee's reasons for this deletion are furnished in the classified annex to this report. (House Sec. 8103)

The second provision governs use of \$50,000,000 added by the House to the Air Force budget for the ICNIA (integrated communications, navigation, identification avionics) program, and of \$15,000,000 from a certain Navy classified program, for joint avionics development. The Committee has not received any convincing justification for the additional \$50,000,000 and is concerned about the impact on the classified program of the \$15,000,000 mandatory allocation. (House Sec. 8105)

Overseas fuel procurement.—The Committee agrees with the House provision prohibiting award of contracts under the Department of Defense overseas fuel procurement program to a foreign refiner if an American refiner can match costs, specifications, etc., but modifies it so that exchange agreements among U.S. refiners are permitted. (Sec. 8089)

Drug-free workplaces.—The Committee recommends deletion of the House provision prohibiting expenditure of Federal funds in any workplace that is not drug-free. (House Sec. 8108)

Deaths of Navy personnel.—The Committee agrees with the House provision requiring a report to Congress on all deaths of Navy personnel during training since January 1, 1986. (Sec. 8090)

PROVISIONS NOT INCLUDED IN THE HOUSE BILL

Foreign selling costs.—The Committee retains a provision prohibiting U.S. defense contractors from charging back to the U.S. Government the costs of marketing to foreign countries, except as allowed under certain limited conditions. The House has deleted this provision. (Sec. 8091)

Pay raises.—The Committee recommends a new section requiring that pay raises for programs funded by this Act shall be absorbed within the levels appropriated in the Act. (Sec. 8092)

Active duty military in civilian hospitals.—The Committee recommends a new section requiring that providers of services under CHAMPUS also provide services under CHAMPUS to members of the armed forces in civilian hospitals. (Sec. 8093)

Nurse anesthetists.—The Committee recommends a new provision which provides \$2,000,000 to pay nurse anesthetists a one-time \$3,000 bonus, contingent upon authorization. (Sec. 8094)

Foreign currency.—The Committee recommends a new provision to remove the Japanese Yen from coverage by the Foreign Currency Fluctuation, Defense, fund. (Sec. 8095)

Navy engineering centers.—The Committee recommends a new provision prohibiting conversion of the Naval Avionics Center, Indianapolis, the Naval Civil Engineering Laboratory, Port Hueneme, and the Naval Air Engineering Center, Lakehurst, from operation under the Navy industrial fund to operation as a direct appropriation financed authority. (Sec. 8096)

Coast Guard.—The Committee amends last year's provision to provide in-kind assistance to the Coast Guard and increasing amounts available to \$200,000,000. (Sec. 8097)

MWR.—The Committee recommends retention of a provision placing a ceiling on appropriated fund support of MWR programs and reducing the ceiling to \$1,126,120,000. (Sec. 8098)

Civilian personnel ceilings.—The Committee continues a ceiling on overseas workyears and sets the new limit at 182,011. This issue is more fully discussed in the operation and maintenance section of this report. (Sec. 8099)

Review of unified and specified command headquarters.—The Committee includes a new provision requiring the Secretary of Defense to evaluate the deputy inspector general's report on unified and specified command headquarters and report back to the House and Senate Appropriations Committees by December 1, 1988. (Sec. 8100)

Foreign national pay.—The Committee recommends a new provision that limits pay raises for Department of Defense foreign national employees to the same rates provided to Department of Defense U.S. civil servants. (Sec. 8101)

Authority for transfers from Defense Stock Fund.—The Committee's provision gives DOD additional authority to transfer fuel profits from the Defense Stock Fund to Guard and Reserve operation and maintenance appropriations. (Sec. 8102)

Payments to hospitals.—The Committee retains a provision allowing payments to heart and lung hospitals that obtain 6 percent or more of operating funds from contributions. (Sec. 8103)

EMPRESS.—The Committee recommends language to govern the Navy's proposed electromagnetic pulse radiation environment simulator for ships [EMPRESS] program. The language is similar to that recommended by the Committee last year and adopted in the DOD Appropriations Act, 1988. (Sec. 8104)

CHAMPUS demonstration projects.—This provision allows the Office of CHAMPUS to conduct demonstration projects. (Sec. 8105)

Alaska command structure.—The Committee recommends a provision to prohibit use of funds to alter the command structure for military forces in Alaska. (Sec. 8106)

Local hire.—The Committee retains a provision requiring local hiring under government contracts in noncontiguous States. (Sec. 8107)

Unemployment compensation.—The Committee recommends a cap of \$182,402,000 for payment of unemployment compensation benefits for military and civilian employees. (Sec. 8108)

Alcoholic beverages.—The Committee retains a provision requiring local procurement of alcoholic beverages for DOD activities in noncontiguous States. (Sec. 8109)

Cumulative reprogrammings.—The Committee recommends language requiring the Secretary of Defense to submit a quarterly report of cumulative reprogrammings in excess of an initial \$10,000,000 for procurement and initial \$4,000,000 for R&D. (Sec. 8110)

SDI guidelines.—The Committee is recommending language expressing the sense of Congress with respect to the composition and direction of the Strategic Defense Initiative program. (Sec. 8111)

Variable housing allowance.—This Committee provision caps the variable housing allowance in fiscal year 1989 at \$1,150,000,000 and allows reimbursement, from fiscal year 1989 funds, to service members whose allowance was reduced in fiscal year 1988. (Sec. 8112)

Burdensharing.—The Committee recommends a new provision that establishes several requirements intended to secure increased burdensharing contributions from allied nations. This provision is discussed in detail in the introduction to this report. (Sec. 8113)

Use of coal at U.S. military installations.—The Committee has included language requiring the Secretary of Defense to take such action as may be necessary to find ways to increase the use of coal at U.S. military installations in the United States. The provision also requires that the Department complete the purchase of anthracite coal mandated in the fiscal year 1988 Defense Appropriations Act. (Sec. 8114)

Minority and women scientists, engineers and technologists.—This provision requires the Department of Defense to complete a study determining how to increase the supply of minority and women scientists, engineers and technologists needed by defense industries and the Department of Defense. (Sec. 8115)

Dependent student travel.—This provision prohibits the use of Department of Defense funds for dependent student travel. (Sec. 8116)

Fort Wainwright, AK.—The Committee recommends transferring \$5,500,000 to the Bureau of Land Management for the relocation of the smokejumper facility at Fort Wainwright, AK. (sec. 8117)

Transfer of prior-year appropriations.—The Committee proposes transfers (sec. 8118) totaling \$1,208,400,000 from funds previously appropriated for procurement and research and development appropriations. These funds are available unobligated balances for which no other use

has been approved by Congress. Funds were identified based upon actual or anticipated contract cost savings, program terminations, authorization limitations, and adjustments in acquisition plans. The Committee has carefully consulted with both the General Accounting Office and the military departments in order to identify resources no longer required for the purposes originally appropriated.

In previous years, the Committee has rescinded available prior year appropriations to achieve outlay savings necessary to accommodate Gramm-Rudman-Hollings deficit reduction targets. For fiscal year 1989, in order to comply with the Bipartisan Budget Agreement, the Committee has employed transfers to respond to emergent Department of Defense requirements and provide for other authorized programs.

The Committee suggests these transfers to finance miscellaneous adjustments in the fiscal year 1985 and 1986 Shipbuilding accounts and increase the planned procurement of DDG-51 class destroyers in fiscal year 1989. In fiscal year 1987, Congress authorized three DDG-51, Aegis destroyers, but only appropriated funds for two. This recommendation transfers \$666,600,000 of funds appropriated in fiscal year 1987 to purchase the remaining authorized DDG-51 destroyer.

The Committee recommends the following adjustments:

Fiscal year 1985

<i>Appropriation and line item</i>	<i>Recommended transfer</i>
Shipbuilding and Conversion, Navy, 1985:	
Trident Submarine Program	- \$89,200,000
T-ACS Auxiliary Crane Ship Program	- 500,000
Outfitting and Post Delivery	- 7,200,000
Total	- 96,900,000
Aircraft procurement, Navy, 1987:	
ASW Helo Seahawk	- 1,000,000
P-3C Orion	- 2,000,000
E-2C Hawkeye	- 2,000,000
S-3 Mods	- 3,000,000
Common Ground Equipment	- 2,000,000
F-18	- 13,000,000
H-46 Mods	- 5,000,000
Total	- 28,000,000
RDT&E, Navy, 1988: NROSS	- 40,000,000
Total	- 40,000,000
RDT&E, Air Force, 1988:	
ALQ-99E update	- 7,000,000
F-4G Wild Weasel	- 8,000,000
Space defense (F-15 ASAT)	- 16,000,000
Total	- 31,000,000
Total	- 195,900,000

<i>Appropriation and line item</i>	<i>Recommended transfer</i>
Shipbuilding and conversion, Navy, 1985:	
T-AO Fleet Oiler Ship Program	+ \$54,400,000
MCM Mine Countermeasures Ship Program	+ 30,500,000
DDG-51 Guided Missile Destroyer Program	+ 105,000,000
T-AGS Ocean Survey Ship Program	+ 6,000,000
Total	+ 195,900,000
<i>Fiscal year 1986</i>	
Shipbuilding and conversion, Navy, 1986: Trident submarine	- 8,900,000
Total	- 8,900,000
Shipbuilding and conversion, Navy, 1986: Mine Countermeasures Ship Program	+ 8,900,000
Total	+ 8,900,000
<i>Fiscal year 1987</i>	
Aircraft procurement, Army, 1987:	
UH-60 Blackhawk MYP (AP)	- 1,300,000
Spares and repair parts	- 11,700,000
Avionic support equipment	- 1,800,000
Total	- 14,800,000
Missile procurement, Army, 1987:	
Patriot	- 40,000,000
Stinger	- 27,600,000
Hawk mods	- 2,600,000
Pershing	- 5,000,000
Total	- 75,200,000
Weapons and tracked combat vehicles, Army, 1987:	
Bradley	- 24,400,000
Field artillery ammo vehicle	- 2,600,000
Spares and repair parts	- 14,000,000
Production base support No. 1	- 5,000,000
Bradley mods	- 5,000,000
Totals	- 51,000,000
Other procurement, Army, 1987:	
Semitrail tank 7500G	- 2,000,000
Trailer/cargo	- 1,000,000
Trailer/heavy expanded	- 1,000,000
Mobile subscriber eq	- 6,000,000
Optical longhaul trailer	- 1,600,000
South Com C ³ upgrade	- 5,300,000
Maneuver control system	- 10,000,000
Product base support	- 2,000,000
Armored combat earthmover	- 7,300,000
Field kitchen mobile trailer	- 1,700,000

<i>Appropriation and line item</i>	<i>Recommended transfer</i>
Other procurement, Army, 1987—Continued	
TUG inland and coast	- \$5,200,000
Causeway systems	- 5,500,000
Generators	- 15,600,000
Tracked forklift	- 6,000,000
Spares and repair parts	- 5,000,000
Nonsystem training devices	- 4,200,000
Total	- 79,400,000
Weapons procurement, Navy, 1987:	
Phoenix	- 10,000,000
Harpoon	- 3,000,000
SM-2MR	- 25,000,000
SM-ER	- 10,000,000
Aerial targets	- 5,000,000
Other missile support	- 3,000,000
Mod missile AIM 9 Sidewinder	- 2,000,000
Vertical launched ASROC	- 23,500,000
Torpedo MK-46 mods	- 5,000,000
Fleet satellite comm	- 18,900,000
Sparrow	- 39,600,000
Total	- 145,000,000
Other procurement, Navy, 1987:	
High pressure compressor	- 1,000,000
Surface sonar support equipment	- 1,000,000
Sub adv. combat system	- 2,000,000
Offboard deception devices	- 5,000,000
Sub communication devices	- 3,000,000
Elec eng maintenance NAVSEA	- 1,000,000
5-inch guided projectile	- 35,500,000
Submarine ASW support	- 1,000,000
Physical security equipment	- 5,000,000
Quickstrike	- 5,000,000
AN/SQR-19 tactical towed sonar	- 2,000,000
Strategic platform support equipment	- 38,400,000
Total	- 99,900,000
Aircraft procurement, Air Force, 1987:	
F-15	- 30,000,000
Air defense fighter	- 15,500,000
F/RF-4	- 10,000,000
C-135	- 20,000,000
Spares	- 25,000,000
Ground support equipment	- 10,000,000
Total	- 110,500,000
Missile procurement, Air Force, 1987:	
Peacekeeper	- 91,300,000
AMRAAM	- 25,000,000
DSCS	- 3,000,000
Total	- 119,300,000

<i>Appropriation and line item</i>	<i>Recommended transfer</i>
Other procurement, Air Force, 1987:	
WWMCCS/WIS ADPE.....	- \$5,000,000
MAC command and control.....	- 5,000,000
Projectile-EMP hardening.....	- 5,200,000
Equipment tactical C-E equipment.....	- 3,000,000
Com-elec. mods.....	- 2,000,000
Tactical shelter.....	- 5,000,000
Mobility equipment.....	- 2,000,000
AF Tech Application Center.....	- 3,000,000
Radio equipment.....	- 3,000,000
Mobile generators.....	- 2,000,000
Flood lights.....	- 1,000,000
OTH-B radar.....	- 3,300,000
Total.....	- 39,500,000
Shipbuilding and conversion, Navy, 1987:	
DDG-51 destroyer.....	+ 666,000,000
SSN-688 submarine.....	+ 68,600,000
Total.....	+ 734,600,000
Aircraft procurement, Army, 1988: AH-64 Apache.....	- 30,000,000
Total.....	- 30,000,000
Missile procurement, Army, 1988: Pershing.....	- 3,800,000
Total.....	- 3,800,000
Weapons and tracked combat vehicles, Army, 1988: Bradley.....	- 30,000,000
Total.....	- 30,000,000
Shipbuilding and conversion, Navy, 1988:	
Aircraft carrier.....	- 100,000,000
CG-47.....	- 26,300,000
Total.....	- 126,300,000
Other procurement, Navy, 1988: Strategic platform support equipment...	- 53,900,000
Total.....	- 53,900,000
Missile procurement, Air Force, 1988: Peacekeeper.....	- 23,000,000
Total.....	- 23,000,000
Other procurement, Air Force, 1988: OTH-B radar.....	- 2,000,000
Total.....	- 2,000,000
Shipbuilding and conversion, Navy, 1989: DDG-51 destroyer.....	+ 269,000,000
Total.....	+ 269,000,000

The Committee has estimated available funds for transfer from these programs with the understanding that the Department of Defense may, based on more recent obligation actions and emergent requirements require the substitution of other resources, within the level specified, for the individual accounts.

The Secretary of Defense is requested to report to the House and Senate Committee on Appropriations actual transfers by P-1, R-1 line item no later than December 1, 1988.

Aegis.—The Committee recommends a new provision which bans the sale of Aegis technology overseas unless the whole ship is included. (Sec. 8119)

Rescission.—The Committee recommends rescission of \$47,900,000 from RDT&E, Air Force 1987/1988. (Sec. 8120)

DDG-51 destroyer program.—The Committee recommends appropriation of an additional \$441,000,000 for the DDG-51 destroyer program and a transfer of \$269,000,000 from prior-year funds. (Sec. 8121)

Dredging at Sandy Hook, NJ.—The Committee recommends bill language to provide \$6,000,000 of Navy funds in addition to the \$30,000,000 already approved in the Military Construction appropriation bill for emplacement of dredge material at Sandy Hook, NJ. The Navy will be undertaking dredging operations in the Sandy Hook area, coincident with the National Park Service's requirements for dredging material to avoid erosion that threatens access to Federal facilities including those that serve a coastal defense function. (Sec. 8122)

Administrative withholding of obligations.—The Committee recommends a new provision requiring the submission of rescissions or deferrals of budget authority withheld for administrative reasons not covered by the Budget and Impoundment Control Act.

The Committee understands the Department needs financial management flexibility to phase obligations consistent with program schedules. However, the Committee is disturbed by a practice over the past few years of administratively withholding obligations pending further review internally or by congressional committees.

The primary focus of this withholding practice has been to determine compliance with title 10 United States Code. Since the procedure lacks definition, the impact has been disruptive to orderly program execution, thwarts the intent of Congress as expressed in the appropriations acts, and, in the opinion of the Committee, constitutes a violation of the Budget Act impoundment provisions.

Consequently, the recommended provision requires the Department to proceed with obligations in a timely manner consistent with the intent of the Budget Act. To the extent that the Department does not intend to obligate funds in the manner prescribed in the appropriations act, the provision requires submission of rescission or deferral notices to Congress within 45 days after enactment of the appropriations act or November 15, 1988, whichever is later. (Sec. 8123)

Polyacrylonitrile [PAN] carbon fiber.—The Committee recommends continuing the provision (sec. 8124) which requires the Department of Defense to achieve one-third domestic sourcing of PAN carbon fiber by 1988 and one-half domestic sourcing by 1990. (Sec. 8124)

Contractor travel.—The Committee recommends a new provision concerning airfare reimbursement for contractor travel. In keeping with the spirit and intent of a provision in the fiscal year 1989 Defense

authorization bill pertaining to contractor use of discount airfares, the Committee is recommending a reduction of \$30,000,000 in the R&D and procurement accounts to be allocated by the Secretary of Defense where appropriate.

The proposed reduction reflects savings to be derived from contractor use of discount airfares in connection with cost-reimbursable contracts. The Committee notes that some airlines are authorizing Government cost-reimbursable contractors access to discount airfares. The Committee supports this policy and encourages the Secretary of Defense to seek negotiated agreements with the airlines that cover contractors.

The Committee's recommendations are consistent with a recent audit report issued by the inspector general of the Defense Department. (Sec. 8125)

Tanker-transport training system.—The Committee recommends a new provision which limits funds for a new Air Force training system. This matter is addressed in the Air Force aircraft procurement appropriation report. (Sec. 8126)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1988 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1989**

[Amounts in dollars]

Senate committee recommendation compared with
(+ or -)

Item (1)	1988 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recom- mendation (5)	1988 appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE I							
MILITARY PERSONNEL							
Military Personnel, Army.....	23,701,252,000	24,418,500,000	24,467,893,000	24,459,745,000	4758,493,000	441,245,000	-8,148,000
Military Personnel, Navy.....	18,176,297,000	18,965,300,000	18,943,103,000	18,965,300,000	4789,003,000	---	422,197,000
Military Personnel, Marine Corps.....	5,542,842,000	5,716,200,000	5,704,953,000	5,716,200,000	4773,358,000	42,203,000	44,351,000
Military Personnel, Air Force.....	19,815,960,000	20,094,200,000	20,092,052,000	20,096,403,000	4280,443,000	41,200,000	45,330,000
Military Personnel, Army.....	2,262,885,000	2,260,000,000	2,255,870,000	2,261,200,000	-1,685,000	---	44,215,000
Reserve Personnel, Navy.....	1,512,963,000	1,621,400,000	1,617,185,000	1,621,400,000	4108,437,000	---	4551,000
Reserve Personnel, Marine Corps.....	295,411,000	315,700,000	315,149,000	315,700,000	420,289,000	42,664,000	41,193,000
Reserve Personnel, Air Force.....	615,081,000	655,300,000	656,771,000	657,964,000	442,883,000	48,700,000	44,951,000
National Guard Personnel, Army.....	3,234,299,000	3,325,300,000	3,319,049,000	3,334,000,000	499,701,000	46,286,000	46,189,000
National Guard Personnel, Air Force.....	988,189,000	1,027,400,000	1,027,497,000	1,033,686,000	445,497,000	---	---
Total, title I, Military Personnel:	76,145,179,000	78,399,300,000	78,399,522,000	78,461,598,000	42,316,419,000	462,298,000	462,076,000
New budget (obligational) authority.....	76,145,179,000	78,399,300,000	78,399,522,000	78,461,598,000	42,316,419,000	462,298,000	462,076,000
TITLE II							
OPERATION AND MAINTENANCE							
Operation and Maintenance, Army.....	20,853,205,000	22,085,200,000	22,094,277,000	22,015,900,000	41,162,695,000	-69,300,000	-78,377,000
Operation and Maintenance, Navy.....	23,601,462,000	24,945,800,000	24,992,800,000	24,853,901,000	41,252,439,000	-91,899,000	-138,899,000
Operation and Maintenance, Marine Corps.....	1,819,188,000	1,792,000,000	1,842,000,000	1,774,600,000	-44,588,000	-17,400,000	-67,400,000
Operation and Maintenance, Air Force.....	19,661,448,000	21,950,000,000	21,890,400,000	21,817,327,000	42,155,879,000	-132,673,000	-73,073,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1988 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1989—Continued**

[Amounts in dollars]

Item (1)	1988 appropriation (2)	Budget estimate (3)	House allowance (4)	Senate committee recommendation compared with (+ or -)		
				1988 appropriation (6)	Budget estimate (7)	House allowance (8)
Committee recom- mendation (5)						
Operation and Maintenance, Defense Agencies 1/.....	7,112,951,000	7,710,600,000	7,721,100,000	7,547,463,000	-163,137,000	-173,637,000
Operation and Maintenance, Army Reserve.....	857,540,000	794,900,000	794,900,000	794,900,000	-----	-----
Operation and Maintenance, Navy Reserve.....	929,876,000	979,200,000	977,548,000	979,200,000	-----	41,652,000
Operation and Maintenance, Marine Corps Reserve.....	69,500,000	77,500,000	77,500,000	77,500,000	-----	-----
Operation and Maintenance, Air Force Reserve.....	1,000,981,000	1,028,500,000	1,033,900,000	1,028,500,000	-----	-5,400,000
Operation and Maintenance, Army National Guard.....	1,856,542,000	1,797,000,000	1,797,000,000	1,801,200,000	44,200,000	44,200,000
Operation and Maintenance, Air National Guard.....	1,958,063,000	1,965,400,000	1,971,000,000	1,965,400,000	-----	-5,600,000
National Board for the Promotion of Rifle Practice, Army.....	4,099,000	4,300,000	4,300,000	4,300,000	-----	-----
Claims, Defense.....	193,574,000	-----	-----	-193,574,000	-----	-----
Court of Military Appeals, Defense.....	3,241,000	3,500,000	3,500,000	3,500,000	-----	-----
Environmental Restoration, Defense.....	402,800,000	500,000,000	500,000,000	500,000,000	-----	-----
Goodwill Games.....	-----	-----	5,000,000	-----	-----	-5,000,000
Humanitarian Assistance.....	13,000,000	-----	13,000,000	13,000,000	413,000,000	-----

Total, title II, Operation and Maintenance:						
New budget (obligational) authority.....	80,337,490,000	85,633,900,000	85,718,225,000	85,176,691,000	-457,209,000	-541,534,000
=====						
TITLE III						
PROCUREMENT						
Aircraft Procurement, Army.....	2,718,406,000	2,791,500,000	2,828,379,000	2,883,700,000	492,200,000	455,321,000
Missile Procurement, Army.....	2,332,237,000	2,586,600,000	2,565,500,000	2,519,700,000	-66,900,000	-45,800,000

Procurement of Weapons and Tracked Combat Vehicles, Army.....	3,207,187,000	2,760,600,000	2,812,521,000	2,886,700,000	-320,487,000	-73,900,000	+74,179,000
Procurement of Ammunition, Army.....	2,273,592,000	2,007,800,000	2,026,163,000	1,951,549,000	-322,043,000	-56,251,000	-74,614,000
Other Procurement, Army.....	5,093,549,000	4,774,000,000	4,655,837,000	4,434,676,000	-658,853,000	-339,304,000	-221,141,000
Aircraft Procurement, Navy.....	9,522,299,000	8,980,000,000	9,308,735,000	9,231,311,000	-290,988,000	+251,311,000	-77,424,000
Weapons Procurement, Navy.....	5,967,019,000	6,271,800,000	6,033,173,000	5,922,525,000	-44,494,000	-349,275,000	-110,648,000
Shipbuilding and Conversion, Navy.....	16,155,555,000	9,130,100,000	9,396,100,000	9,013,443,000	-7,141,912,000	-116,657,000	-382,657,000
Other Procurement, Navy.....	4,872,461,000	4,789,700,000	4,693,329,000	4,909,597,000	+37,136,000	+119,897,000	+216,268,000
Coastal Defense Augmentation.....	20,000,000	---	350,000,000	---	-20,000,000	---	-350,000,000
Procurement, Marine Corps.....	1,295,599,000	1,157,300,000	1,311,322,000	1,265,067,000	-30,532,000	+107,767,000	-46,255,000
Aircraft Procurement, Air Force.....	12,956,827,000	16,630,000,000	15,915,397,000	16,093,500,000	+33,136,673,000	-536,500,000	+178,103,000
Missile Procurement, Air Force.....	7,290,771,000	8,158,000,000	7,620,587,000	7,649,757,000	+358,986,000	-508,243,000	+29,170,000
Other Procurement, Air Force.....	8,010,827,000	8,393,500,000	8,097,047,000	8,133,249,000	+122,422,000	-260,251,000	+36,202,000
National Guard and Reserve Equipment.....	1,200,000,000	---	1,174,500,000	843,500,000	-356,500,000	+843,500,000	-331,000,000
Procurement, Defense Agencies.....	1,266,263,000	1,216,100,000	1,207,550,000	1,130,000,000	-136,263,000	-84,100,000	-77,550,000
Defense Production Act Purchases.....	13,000,000	27,500,000	39,500,000	13,000,000	---	-14,500,000	-26,500,000
Space and Related Activities Augmentation, Defense.....	---	---	637,000,000	---	---	---	-637,000,000
Total, title III, Procurement; New budget (obligational) authority.....	84,195,392,000	79,874,500,000	80,672,640,000	78,881,294,000	-5,314,098,000	-993,206,000	-1,791,346,000
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION							
Research, Development, Test, and Evaluation, Army.....	4,687,513,000	5,030,700,000	5,042,965,000	5,011,894,000	+324,381,000	-18,806,000	-31,071,000
Research, Development, Test, and Evaluation, Navy.....	9,493,546,000	9,216,200,000	9,136,405,000	9,291,614,000	-201,932,000	+75,414,000	+155,209,000
Research, Development, Test, and Evaluation, Air Force	15,002,095,000	14,932,100,000	14,313,135,000	14,588,332,000	-413,763,000	-343,768,000	+275,197,000
Research, Development, Test, and Evaluation, Defense Agencies.....	7,631,825,000	8,667,800,000	7,468,757,000	8,423,698,000	+791,873,000	-244,102,000	+954,941,000
Developmental Test and Evaluation, Defense.....	182,116,000	166,900,000	155,900,000	146,587,000	-35,529,000	-20,313,000	-9,313,000
Operational Test and Evaluation, Defense.....	70,221,000	143,400,000	12,234,000	143,400,000	+73,179,000	---	+131,166,000
Total, title IV, Research, Development, Test, and Evaluation; New budget (obligational) authority.....	37,067,316,000	38,157,100,000	36,129,396,000	37,605,525,000	+538,209,000	-551,575,000	+1,476,129,000

TITLE IV

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1988 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1989—Continued

[Amounts in dollars]

Senate committee recommendation compared with (+ or -)							
Item (1)	1988 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recom- mendation (5)	1988 appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE V							
REVOLVING AND MANAGEMENT FUNDS							
Army Stock Fund.....	193,207,000	321,900,000	321,900,000	271,900,000	+78,693,000	-50,000,000	-50,000,000
Navy Stock Fund.....	329,400,000	204,700,000	204,700,000	184,700,000	-144,700,000	-20,000,000	-20,000,000
Air Force Stock Fund.....	226,007,000	206,900,000	206,900,000	186,900,000	-39,107,000	-20,000,000	-20,000,000
Defense Stock Fund.....	132,600,000	30,000,000	30,000,000	25,000,000	-107,600,000	-5,000,000	-5,000,000
Foreign Currencies.....	-----	-----	376,000,000	-----	-----	-----	-376,000,000
Total, title V, Revolving and Management Funds; New budget (obligational) authority.....	881,214,000	763,500,000	1,139,500,000	668,500,000	-212,714,000	-95,000,000	-471,000,000
TITLE VI							
CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE 2/							
Operation and maintenance.....	97,000,000	88,200,000	117,300,000	117,300,000	+20,300,000	+29,100,000	-----
Research, development, test, and evaluation.....	4,900,000	700,000	17,900,000	17,900,000	+13,000,000	+17,200,000	-----
Procurement.....	96,600,000	74,000,000	127,400,000	44,300,000	-52,300,000	-29,700,000	-83,100,000
Construction 3/.....	-----	-----	112,800,000	-----	-----	-----	-112,800,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1988 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1989—Continued**

[Amounts in dollars]

Item (1)	Senate committee recommendation compared with (+ or -)							
	Committee recom- mendation				House allowance			
	1988 appropriation (2)	Budget estimate (3)	House allowance (4)	(5)	1988 appropriation (6)	Budget estimate (7)	House allowance (8)	
RECAPITULATION								
Title I - Military Personnel.....	76,145,179,000	78,399,300,000	78,399,522,000	78,461,598,000	42,316,419,000	462,298,000	462,076,000	
Title II - Operation and Maintenance.....	80,337,490,000	85,633,900,000	85,718,225,000	85,176,691,000	44,839,201,000	-457,209,000	-541,534,000	
Title III - Procurement.....	84,195,392,000	79,874,500,000	80,672,640,000	78,881,294,000	-5,314,098,000	-993,206,000	-1,771,346,000	
Title IV - Research, Development, Test, and Evaluation	37,067,316,000	38,157,100,000	36,129,396,000	37,605,525,000	4538,209,000	-551,575,000	41,476,129,000	
Title V - Revolving and management funds.....	881,214,000	763,500,000	1,139,500,000	668,500,000	-212,714,000	-95,000,000	-471,000,000	
Title VI - Chemical Agents and Munitions								
Destruction, Defense.....	198,500,000	162,900,000	375,400,000	179,500,000	-19,000,000	416,600,000	-195,900,000	
Title VII - Related agencies.....	157,757,000	168,245,000	168,145,000	1,235,805,000	41,078,048,000	41,067,560,000	41,067,660,000	
Title VIII - General provisions.....				441,000,000	441,000,000	441,000,000	441,000,000	
(By transfer).....				(1,208,400,000)	(41,208,400,000)	(41,208,400,000)	(41,208,400,000)	
(Additional transfer authority, sec. 8014).....	(1,500,000,000)	(3,000,000,000)	(2,500,000,000)	(3,000,000,000)	(41,500,000,000)	---	(4500,000,000)	
Total, Department of Defense (DDA).....	278,982,848,000	283,159,445,000	282,602,828,000	282,649,913,000	43,667,065,000	-509,532,000	447,085,000	
(Transfer authority).....	(1,500,000,000)	(3,000,000,000)	(2,500,000,000)	(3,000,000,000)	(41,500,000,000)	---	(4500,000,000)	
Distribution by organizational component:								
Army.....	73,275,513,000	75,158,300,000	74,986,554,000	74,631,784,000	41,385,871,000	-526,916,000	-355,170,000	
Navy.....	99,603,238,000	94,162,900,000	94,904,002,000	94,122,058,000	-5,481,180,000	-40,842,000	-781,944,000	
Air Force.....	87,526,249,000	95,041,300,000	92,824,686,000	93,251,018,000	45,724,769,000	-1,790,282,000	423,332,000	
Defense Agencies/OSD.....	17,021,591,000	18,465,800,000	17,793,541,000	17,945,648,000	4924,057,000	-520,152,000	4152,107,000	
Reserve & National Guard (procurement).....	1,200,000,000	---	1,174,500,000	843,500,000	-356,500,000	4843,500,000	-331,000,000	

